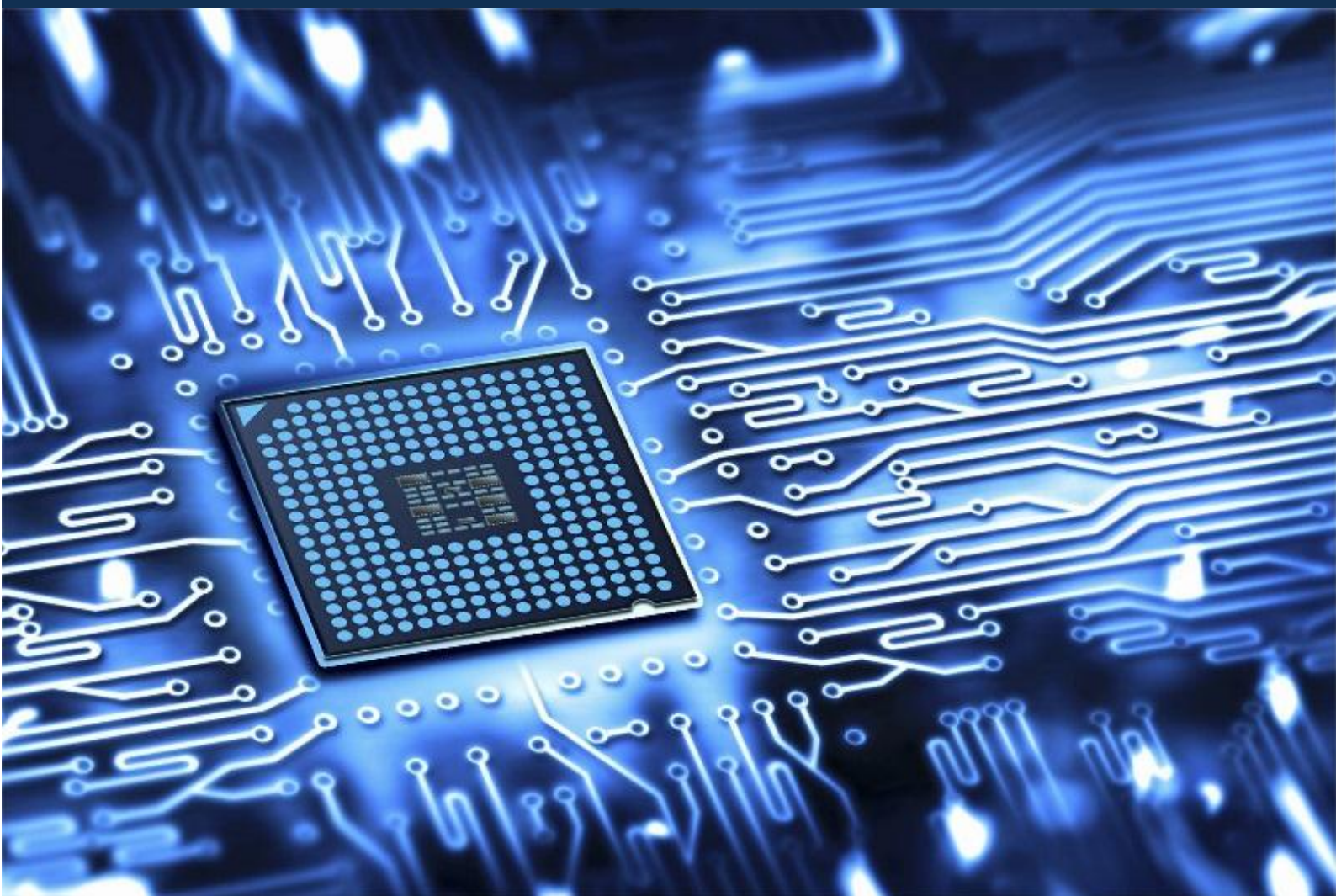


ANNUAL REPORT 2014



**ELECTRONICS INDUSTRY PUBLIC
COMPANY LIMITED**



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For more details of the Company, investor may refer to Annual Registration Statement Form (Form 56-1) on website www.sec.or.th or www.eicasia.net

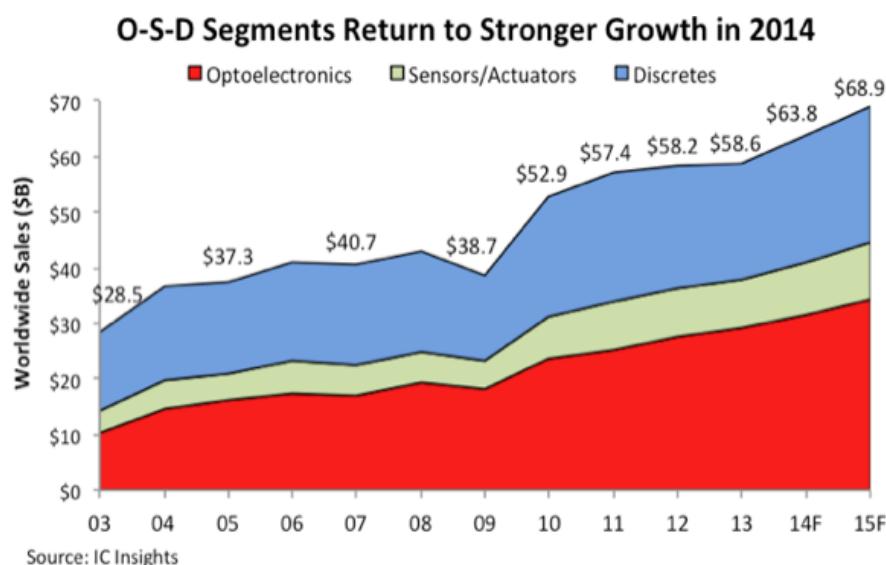
Message from Chairman of the Board of Directors



Mr. Bee Taechaubol

Chairman of the Board of Directors

The global market for optoelectronics, sensors/actuators, and discrete semiconductors (O-S-D) has recovered and maintained momentum over the past few years following the 2009 downturn. O-S-D sales increased just 1% in both 2012 and 2013, but overall market growth has strengthened and is on track to rise 9% in 2014 to reach a new high of around \$64 billion.



Between 2013 and 2018, combined O-S-D sales are projected to increase by a compound annual growth rate (CAGR) of about 6.8%. Optoelectronics is expected to continue to be the most consistent growth segment in the O-S-D marketplace during the next several years followed by Sensors & actuators.

However, discretes are seeing increased use in portable electronics applications such as laptop and tablet PCs and cellphones, which need more power transistors and other discretes in power management, switching power supplies, and battery-charging systems. In power discretes, a

revolution is underway with new wafer materials replacing silicon technology for higher performance. EIC Semiconductor Co. will have to realign its product mix and R&D to benefit from this new demand.

While EIC Semiconductor's sales revenues from discrete semiconductors declined by 3.3% from the previous year, the company's profitability was adversely impacted by an increase in provision for obsolete materials in the amount of Baht 69.9 million. In addition, the company sold scrap material for Baht 2.8 million at a cost of Baht 38.5 million. This has resulted in an impairment of Baht 77.9 million of EIC's Baht 474 million investment in EIC Semiconductor Co.. The book value of EIC's investment is therefore reduced to Baht 396 million. Due to the fact that 38% of the company's balance sheet consists of Inventory and 50% of this inventory has aged more than 12 months it is likely that the provisions for obsolete materials will continue in 2015 and therefore profitability will be continue to be adversely affected.

EIC's investment in Smart Traffic was delayed by changes in regulations regarding the issuance of Convertible Debentures by private placement to foreign investors. The Company was obliged to hold an additional shareholders' meeting in June and to reduce the amount of the issue from Baht 500 million to Baht 400 million. The delay caused difficulties in funding some of Smart Traffic's projects.

Unfortunately, the political crisis and the military coup of May 22 had a negative impact on the company's operations. All major projects were placed on review by the new administration and effectively postponed from 2014 to 2015. Consequently, the company's sales revenues were adversely impacted and the company generated a loss for the fiscal year 2014. This has resulted in an impairment of EIC's investment in the amount of Baht 64.7 million together with a Baht 6.99 million share of Smart Traffic's operating loss based on EIC's 30.2% ownership of Smart Traffic Co Ltd as at December 31, 2014. However, we are confident that Smart Traffic will return to the normal course of business in 2015.

While we are confident that Smart Traffic will have a much better year in 2015, we acknowledge that it will require more time to develop its full potential due to the current unpredictability of the timeline for government projects. EIC will mitigate this risk by developing a new business. The company will also participate directly in projects with Smart Traffic on a joint venture basis.

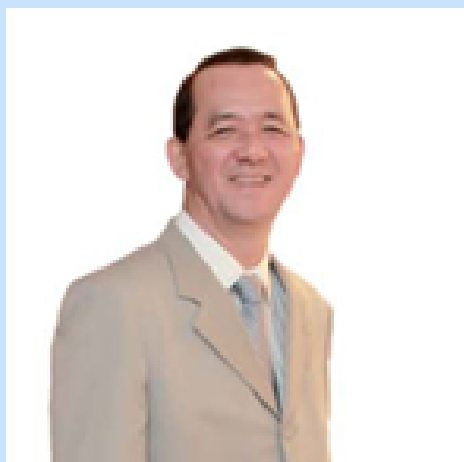
The Board of Directors would like to extend their sincere appreciation to the company's shareholders, business partners, financiers and all related parties for their continued trust and support. The Board is committed to achieving growth for all stakeholders.



Bee Taechaubol

Chairman of the Board of Directors

Report of Audit Committee



Mr. Somkad Sueptrakul

Chairman of the Audit Committee

To: The Board of Directors

Electronics Industry Public Company Limited

1. The Board of Directors No.12/2014 acknowledged the resignation of one the Independent Directors and Audit Committee members as follows:

(1) Mr. Somkad Sueptrakul	Independent Director and Chairman of Audit Committee
(2) Mr. Tawich Pimpapan	Independent Director and Audit Committee
(3) Mrs. Krishna Jitpatima	Independent Director and Audit Committee

Mr. Tawich Pimpapan resigned from every position effective from 22 September 2014. Subsequently, the Board of Directors Meeting No.15/2014 held on 26 November 2014 appointed a replacement with the remaining terms as follow:

- | | |
|------------------------------|---|
| (1) Mr. Yuthana Phanumaphorn | Independent Director and Audit Committee member (replacement for Mr. Tawich Pimpapan) |
|------------------------------|---|

At present, the Audit Committee consists of the following persons:

- | | |
|------------------------------|--|
| (1) Mr. Somkad Sueptrakul | Independent Director and Chairman of Audit Committee |
| (2) Mr. Yuthana Phanumaphorn | Independent Director and Audit Committee |
| (3) Mrs. Krishna Jitpatima | Independent Director and Audit Committee |

The Audit Committee members' qualifications and their scope of duties and responsibilities meet all the requirements required by the Audit Committee of the Securities and Exchange Commission.

2. In 2014, the Audit Committee was held 4 times with the regular attendance. Meeting highlights were as follows:

- (1) Reviewed the internal audit report and followed up results as proposed by the internal auditor to the Board of Directors' Meeting.
 - (2) Reviewed the transactions between the Company and sole agents, on a quarterly basis, as assigned in letter no. Kor .Lor. Tor. Jor. 200/2547 dated 6 February 2004 issued by the Securities and Exchange Commission.
 - (3) Reviewed the quarterly financial statements with the Company's auditors and the Management in order to ensure the adequacy and accuracy of disclosure in accordance with Generally Accepted Accounting Principles.
 - (4) Reviewed the adequacy of internal controls and reported to the Board of Directors' Meeting.
 - (5) Reviewed and proposed to the Board of Directors the appointment and remuneration of the Auditor prior to the approval of the General Shareholders at a Board of Directors' Meeting held in 2015. Mr. Surachai Damnoenwong, Certified Public Accountant (Thailand) No. 4721 or Miss Lehum Chinnapan, Certified Public Accountant No. 7306 from RSM Audit Services (Thailand) Limited have been appointed as the Company's auditor in 2015, with the 2015 audit fee of Baht 810,000.
3. The Audit Committee had a meeting with the Independent Auditor regularly, including inviting the Company's auditor and Management concerned to attend the meeting, on 30 March 2015 to receive their comments and suggestions, to clarify important issues, and to review the Company's Balance Sheets and Income Statement for the fiscal year ended 31 December 2014. The Independent Auditor reviewed and approved a qualified opinion.

In conclusion, the Audit Committee fulfilled its duties as set out in the Charter of the Audit Committee approved by the Board of Directors. In our opinion, the Company's financial statements and operating performance have been presented systematically. The Company has appropriate and effective internal control systems, internal audit, and risk management. Besides, various practices are consistent with good governance, including the enhancement of operating system to be continually appropriate for the business environment.



Mr. Somkad Sueptrakul

Chairman of Audit Committee

30 March 2015

1. Business Overview and Policies

1.1 Vision, Objectives and Goals

Vision, Mission and Social and Environmental Policies

Vision

"To be a manufacturer of quality discrete semiconductors equivalent to international manufacturers"

Objectives

"To build the "EIC" brand to stand for high quality products, recognized by manufacturers in every industry."

Goals

"To be a manufacturer of discrete semiconductors (diodes) which are of a quality accepted by every industry"

Social and Environmental Policies

- (1) To prioritize our customer's highest satisfaction;
- (2) To operate with honesty and in good faith, in accordance with relevant regulations and laws;
- (3) To analyze problems, continuously develop, create innovations and minimize loss; and
- (4) To Attend to and prioritize safety and living and employment standards for our employees;

Strategy and Future Plan

The company plans to expand its business into related electronics business and software, which offer potentially higher returns on investment. The Company has invested in a related business which provides Electronic Toll way Collection Systems (ETCS) for toll way collection and automatic cash (Easy Pass), Electronic payment system via mobile phone or Near Field Communication (NFC) and payment by credit card (VISA Pay wave) for transportation, management system and exchange of points from retail outlets and communication (Loyalty Program), and the preparation of a common ticket system and Clearing House (Clearing House).

Criteria for Consideration of Potential Growth of Investing Business

The Company considers investing in businesses which have growth potential, competitive strength and strong profit margins.

1.2 Important Changes and Developments

The history and important developments of the Company can be summarized as follows:

1984	On 17 February 1984, Mr. Sarawuth Jinwuth, founded Electronics Industry (USA) Co., Ltd with a registered capital of Baht 103 million, with the main objective of engaging in the business of designing, manufacturing and distributing semiconductor devices (diodes) which is one of the fundamental components in electronic circuits, for electronic appliances and electronic equipment industries. The Company's first factory was located in an export zone 1 industrial estate, Ladkrabang Industrial Estate, and was opened in 1984. The first business was the sale and purchase of transistors.
1990	Commenced the manufacture of semiconductors (diodes)
1996	Increased the registered and paid-up capital to Baht 300 million
1997-2000	Received ISO 9001 and ISO 14001 certification from SGS Yarsley International Certification Services, England.
2002	Introduced a new product, glass diodes and SMD (Surface Mounted Devices), and also received investment promotion from the Board of Investment.
2003	Converted into a public limited company and changed the Company's name to Electronics Industry Public Company Limited, increased the registered and paid-up capital to Baht 400 million and became a listed company in the Stock Exchange of Thailand. The Company's securities were first traded on 22 December 2003, in the Electronic Parts Sector, under the name "EIC".
2006	Expanded the business to become a manufacturer and seller of silicon wafers, manufacturing both Open Junction and Glass Passivized Processed (GPP) products. Received investment promotion under the Investment Promotion Act B.E. 2520, being exempted from corporate income tax for 8 years for investment in the development of technological skills and innovation (commencing 30 October 2006 and ending 29 October 2014) under the following condition: the Company must invest or undertake research or design expenditure, high technology training expenditure, or learning support or research facility expenditure of no less than 3% of the Company's total sales in the first 3 years or have a total expenditure of no less than Baht 450 million, whichever is lower.
2007	Received ISO/TS 16949 standard certification from SGS Yarsley International Certification Services, England.
2013	On 29 November 2013 and 2 December 2013 there occurred a big lot sale and purchase, on the board, by the major shareholders of the Company. The transaction occurred between 4 shareholders, as the sellers, and Thai Prime Co., Ltd and Mr. Bee Taechaubol and 6 others as follows: 1) Mr. Sawaeng Sirijuntharopas 2) Ms. Phannee Akkaraj 3) Ms. Uthumporn Junkabutr 4) Mr. Suthep Sirichanropas 5) Quam Securities Limited 6) Siam Knight Fund Management Co., Ltd., who purchased the shares of the Company on the Stock Exchange, engaging in a big lot, at Baht 1.25 (One Baht and Twenty Five Satang) per share, constituting a total of 267,809,600 shares or 66.95 percent of the total issued and paid-up shares of the Company. This resulted in a change of management control, shareholder structure and board composition of the Company.

Change of management control after big lot transaction on 29 November 2013

No.	Name of Shareholder	Before Transaction		After Transaction	
		Shares	%	Shares	%
1.	Mr. Sarawuth Jinwuth	204,000,000	51.00	0	0
2.	Mr. Withaya Chakphet	38,327,000	9.58	0	0
3.	Mr. Sanga Wanasinchai	20,000,000	5.00	0	0
4.	Mr. Worakorn Chakphet	5,482,600	1.37	0	0
5.	Thai Prime Co., Ltd.	0	0	173,409,600	43.35
6.	Mr. Bee Taechaubol	0	0	32,000,000	8.00
7.	Mr. Sawaeng Sirijuntharopas	0	0	14,800,000	3.70
8.	Ms. Utumporn Junkabutr	0	0	7,900,000	1.98
9.	Ms. Phanee Akaraj	0	0	11,900,000	2.98
10.	Mr. Suthep Sirijantharopas	0	0	7,800,000	1.95
11.	Siam Knight Fund Management Securities Co., Ltd.	0	0	12,000,000	3.00
12.	Quam Securities Limited	0	0	8,000,000	2.00
	Total	267,809,600	66.95	267,809,600	66.95

Remarks: On 13 December 2013 Mr. Bee Taechaubol and Thai Prime Co., Ltd. restructured their shareholding in the Company between themselves. Thai Prime Co., Ltd. transferred 31,409,600 shares to Mr. Bee Taechaubol, increasing Mr. Bee Taechaubol's shareholding to 63,409,600 shares or 15.85 % and decreasing Thai Prime Co., Ltd.'s shareholding to 142,000,000 shares or 35.50 %. There was no change in the total number of shares held between them, namely 51.35 % of the total issued and sold shares.

New Composition of the Board after the Big Lot Transaction

No.	Name of Director	Position
1	Mr. Patiparn Karnjanaviroje	Chairman of the Board
2	Mr. Somkad Sueptrakul	Vice-Chairman of the Board of Directors/Chairman of the Audit Committee/Independent Director
3	Mr. Withaya Chakphet	Managing Director
4	Mrs. Tippawan Chakphet	Director
5	Mr. Thanabodhi Swadsiri	Director
6	Mrs. Krishna Jitpatima	Independent Director /Audit Committee Member / Acting Company Secretary
7	Mr. Tawich Pimpapan	Independent Director /Audit Committee Member

On 4 December 2013, the Company established a subsidiary, EIC Semiconductor Co., Ltd ("EIC Semi" or "Subsidiary" which has Baht 100,000, divided into 1,000 common shares

2014

with Baht 100 par value), based on the resolution of Board of Directors' Meeting No. 7/2013, held on 2 December 2013, approving the establishment of the subsidiary in order to improve the business structure

The resolutions of the Extraordinary General Meeting of Shareholders No. 1/2014 which was held on 13 February 2014 and Extraordinary General Meeting of Shareholders No. 2/2014 which was held on 27 June 2014 are as follows:

- Transferring the assets and debts involved in the manufacturing of diodes of the Company to EIC Semiconductor Co., Ltd., for settlement of share subscription payable to the subsidiary by assets and cash not exceeding Baht 500 million.
- Investing in Smart Traffic Co., Ltd. by purchasing ordinary shares of 49 percent of the total shares from the existing shareholders at a price of Baht 500 per share with the total investment amount of Baht 245 million.
- Issuance and offer for sales of warrants to purchase ordinary shares of the Company No. 1 (EIC-W1) in the amount not exceeding 100,000,000 units to the existing shareholders of the Company whose name appeared on the shareholders' register on the closing date of 16 May 2014 on pro rata of shareholding (Right Offering), in the ratio of 4 existing shares to 1 EIC-W1.
- Issuance and offer for sale of convertible debentures to a specific foreign investor (Private Placement) in the amount not exceeding 16 million Singapore Dollars or an equivalent amount of Baht 400 million or an equivalent amount in other currencies
- Increase the registered capital by Baht 200 million from Baht 400 million to Baht 600 million by issuing ordinary shares of 200 million shares with a par value of Baht 1 per share and allocate ordinary shares as follows:
 - (1) Ordinary shares not exceeding 100 million shares to reserve for the exercise of EIC-W1
 - (2) Ordinary shares not exceeding 20 million shares to reserve for the right adjustment of EIC-W1
 - (3) Ordinary shares not exceeding 80 million shares to reserve for the exercise of convertible debentures

On 1 April 2014, the company was reorganized by the transfer of assets and liabilities associated with the manufacture of diodes to its subsidiary, EIC Semiconductor.

EIC Semi has a registered and paid-up capital of Baht 474,031,900 consisting of 4,740,319 ordinary shares with a par value of Baht 100 per share. The Company holds 4,740,317 shares, representing 99.99% of EIC Semi's issued and paid-up shares.

The Company purchased 302,000 ordinary shares of Smart Traffic Co Ltd, representing 30.2% of its paid-up capital, at a price of Baht 500 per share for a total consideration of Baht 152 million (Extraordinary General Meeting of Shareholders No.1./2014 dated February 13, 2014 approved the investment in up to 49% of Smart Traffic, at a price of Baht 500 per share for a total investment of Baht 245 million)

The major shareholder as the closing on 15 December 2557 are as follows:

No.	Name of shareholders	Number of share	Percentage
1.	Mr. Bee Taechaubol	120,108,398	25.19
2.	Thai Prime Co., Ltd	22,000,000	4.61
3.	Mrs. Rattiwat Chotchaorj	12,258,500	2.57
4.	Ms. Phengchan Yothin-uppamai	11,730,100	2.46
5.	Ms. Wiphawee Thanomjaturong	8,788,300	1.84
6.	Ms. Patinya Wongkusollert	8,650,000	1.81
7.	Miss Suwanna Saengow	7,731,300	1.62
8.	Mrs. Maneewan Jang	6,623,600	1.39
9.	Mr. Narong Wangcharoenwong	5,875,900	1.23
10.	Mr. Wisit Dechawitayathorn	5,000,000	1.05
11.	THAI NVDR CO.,LTD.	4,771,100	1.00
12.	Others	263,343,947	55.23
	Total	476,881,145	100.00

Remarks:

- On 17 February 2014, Thai Prime Co., Ltd transferred 120,000,000 shares of the Company to Mr. Bee Taechaubol. As a result Thai Prime Co Ltd holds 22,000,000 shares of the Company and Mr. Bee Taechaubol holds 183,409,600 shares. Therefore the total shares of the Company held by Mr. Bee Taechaubol and Thai Prime Co Ltd is 205,409,600 shares or equivalent to 51.35% of total issued and paid-up shares.
- In addition, on 10 and 21 April 2014, Mr. Bee Taechaubol transferred 63,101,202 shares equivalent to 15.77 % of total issued and paid-up shares of the Company to 8 investors. After this transaction, Mr. Bee Taechaubol and Thai Prime Co Ltd held 142,308,398 shares of the Company. Subsequently, Mr. Bee Taechaubol also transferred 200,000 shares of the Company after which Mr. Bee Taechaubol and Thai Prime Co Ltd held 142,108,398 shares of the Company equivalent to 29.80% of the total issued and paid-up shares of the Company.

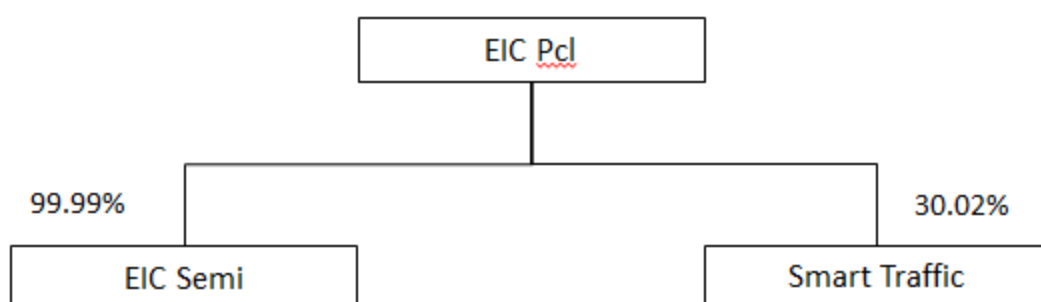
Composition of the Board of Director as of 31 December 2014

No.	Name of Director	Position
1.	Mr. Bee Taechaubol	Chairman of the Board
2.	Mr. Somkad Sueptrakul	Vice-Chairman of the Board of Directors/ Chairman of the Audit Committee/ Independent Director/ Chairman of the Nomination/ Remuneration Committee
3.	Mrs. Krishna Jitpatima	Director / Audit Committee / Independent Director/ Nominating Committee
4.	Mr. Yuthana Phanumaphorn	Director / Audit Committee / Independent Director
5.	Mr. Withaya Chakphet	Director / Managing Director/ Executive Committee / Nominating Committee/ Remuneration Committee
6.	Mrs. Tippawan Chakphet	Director / Executive Committee
7.	Mr. Teepat Sutabutra	Director

1.3 Shareholding Structure of the Group Companies

The Company established EIC Semiconductor Co Ltd. as a subsidiary on 4 December 2013 for the benefit of improving the business structure of the Company and after receiving approval from the Extraordinary Shareholders' Meeting No. 1/2014 on 13 February 2014. On 1 April 2014, the Company transferred the businesses related to the manufacture of Diodes to this Subsidiary including assets, liabilities, business license as well as all employees related to the business for settlement of share subscription payable by assets and cash.

As of 31 December 2014, the Company invested in electronics business and related electronics business by holding 99.99 % of the shares of EIC Semiconductor Co Ltd. Additionally, the Company invested in Smart Traffic Co Ltd ("Smart Traffic") by holding 30.02% of the total shares of Smart Traffic, which can be shown in the diagram as follows:



Business of the Subsidiary and Associated Company

Name	Business Type	% of Share holding
Core Business: Electronic Business		
1) EIC Semiconductor Co Ltd ("EIC Semi")	Manufacturer and seller of a wide range of discrete semiconductors (Manufacturer with Wafer Fabrication) and also a manufacturer of silicon wafers for use in the assembly of diodes.	99.99%
2) Smart Traffic Co Ltd ("Smart Traffic")	Design, development and sale of Electronic Toll way Collection Systems (ETCS) for the collection of tolls, automatic cash (Easy Pass), electronic payment system with a mobile phone or Near Field Communication (NFC) and payment by credit card VISA Paywave for transportation, management system and exchange of points from retail outlets and communication (Loyalty Program), and the preparation of a common ticketing system and Clearing House (Clearing House).	30.02%

1.3.1 General information of the Subsidiary and Associated Company are provided below:

1. EIC Semiconductors Co., Ltd. ("EIC Semi") – Subsidiary and Core Company

Date of Incorporation	:	4 December 2013
Directors	:	1. Mr. Withaya Chakphet
		2. Mrs. Tippawan Chakphet
		3. Mr. Luca Roveda
Authorized Directors	:	Mr. Withaya Chakphet or Mrs. Tippawan Chakphet may sign to bind the Company
Registered Capital	:	Baht 474,031,900
Head Office	:	No. 65 and 68, Chalong Krung 31 Road, Lumplatiew Sub-district, Latkrabang District, Bangkok 10520

Shareholders as of 25 June 2014

	Name	Number of Shares	Percentage
1	Electronics Industry Public Company Limited	4,740,317	99.99
2	Mrs. Tippawan Chakphet	1	0.00
3	Mr. Withaya Chakphet	1	0.00
	Total	4,740,319	100.00

2. Smart Traffic Co., Ltd ("Smart Traffic") - Associate

Registered Capital	:	29 September 1999
Director	:	Miss Pornphan Siriwong Na Ayuthaya
Authorized Directors	:	Miss Pornphan Siriwong Na Ayuthaya may sign to bind the Company
Registered Capital	:	Baht 10,000,000
Head Office	:	565/1 Soi Ramkhamhaeng 39 (Theplila1) Phlapphla, Wang Thong Lang, Bangkok 10310

Shareholders as of 14 November 2014

	Name	Number of Shares	Percentage
1	Miss Pornphan Siriwong Na Ayuthaya	400,000	40.00
2	ELECTRONICS INDUSTRY PUBLIC COMPANY LIMITED	302,000	30.20
3	SMART MERCHANT INTERNATIONAL LIMITED	188,000	18.80
4	Mrs. Rochana Kriangwatthanasiri	99,990	10.00
5	Mr. Apiruk Nongpho	10,000	1.00
6	Mr. Phisit Kriangwatthanasiri	10	0.00
	Total	1,000,000	100.00

1.4 Relationship with Business of Majority Shareholders

-None-

2. The Company's Business

Electronic Industry Public Company Limited ("the Company" or "EIC") is operating the electronics business and related electronics business with growth potential and high returns, selling electronic components through EIC Semi, its subsidiary company. Moreover, the Company has also invested in Smart Traffic, which designs, develops and sells Electronic Tollway Collection Systems (ETCS) for use in the collection of expressway tolls, automatic cash (Easy Pass), electronic payment via mobile phone or Near Field Communication (NFC) and payment by credit card (VISA Paywave) for transportation, management system and exchange of points issued by retail outlets (Loyalty Program), and the preparation of a common ticketing system and Clearing House (Clearing House).

In 2014, the Company invested in two companies, which have its core business of electronics and related to electronics business as follows:

1. EIC Semiconductor Company Limited ("EIC Semi"). The Company holds 99.99% of the total shares of EIC Semi. EIC Semi designs, manufactures and sells discrete semiconductors in the form of wafers and Diodes with a wide range of discrete semiconductors. EIC Semi also designs and manufactures discrete semiconductors (diodes), with specific characteristics in accordance with the requirements of its customers

Diodes are a basic component for all types of electronic equipment. EIC Semi produces Diodes to the highest levels of quality expected by manufacturers in all industries in order for its customers to use its products as an effective component in all types of electronic equipment and electrical appliances – *"EIC Quality Diodes behind every great system"*.

2. Smart Traffic Company Limited ("Smart Traffic"). The Company holds 30.02% of the total shares of Smart Traffic. Smart Traffic designs, develops and sells Electronic Tollway Collection Systems (ETCS) for use in the collection of expressway tolls, automatic cash (Easy Pass), electronic payment via mobile phone or Near Field Communication (NFC) and payment by credit card (VISA Paywave) for transportation, management system and exchange of points issued by retail outlets and communication (Loyalty Program), and the preparation of a common ticketing system and Clearing House (Clearing House). Smart Traffic also operates a business which combines and remits information through smart cards without touch system and provides cutting edge software and hardware to gather information for use in fare collection systems for toll ways, car parks and traffic control centers for both private and public entities.

Revenue Structure of the Company

Project/ Business Group	Company	% Own	2014		2013		2012	
			Mil Bt.	%	Mil Bt.	%	Mil Bt.	%
Revenue Segment								
	EIC, EIC Semiconductor	99.99	180.91	97	187.04	94	140.96	96
	Smart Traffic	30.02	1.92	1	-	-	-	-
Revenue from Sales			182.83	98	187.04	94	140.96	96
Other Income			3.21	2	12.81	6	6.45	4
Total			186.04	100	199.85	100	147.41	100

Note:

- EIC Semiconductor Co. starts operating business on 1 April 2014, after receiving assets and liabilities related to the production of Diodes from the Company.
- The Company acquired shares of Smart Traffic. As a result, as of 31 December 2014, the Company holds 30.2% of total shares of Smart Traffic.

Revenue Structure categorized by Product Type

Type of Products	% of Total Sales	
	2013	2014
1. Rectifier Diodes	39.00	48.94
2. High Speed Switching Diodes	3.20	4.04
3. Zenger Diodes	33.60	22.79
4. Transient Voltage Suppressor Diodes	18.78	23.23
5. Transistors	1.71	0.99
6. Wafer	3.58	-

2.1 Type of products and services

EIC Semiconductor Co. manufactures and sells a wide range of discrete semiconductors manufactured with in-house wafer fabrication and a manufacturer of silicon wafers for use in the assembly of diodes.

1) Wafer (Open Junction Wafer and Glass Passivized Processed Wafer)

The wafers and dices, which the Company produces, for use as raw material in the assembly of its own diodes, can be classified into 4 categories:

- (1) Zener Wafer
- (2) TVS Wafer
- (3) Standard Rectifier Wafer
- (4) Unipolar & Bipolar Wafer

The production of wafers also assists the Company in the design of products according to customer requirements. In addition, the Company has also developed an innovation in using GPP Wafers or Glass Passivated Processed Wafers as raw materials in the assembly of diodes. Using Glass Passivated Processed Wafers improves the quality and use of the product, in particular for Zener Diodes, Rectifiers, TVS and Bridges, Rectifiers, increasing the reverse breakdown voltage by approximately 10%, and increasing the working life of the products by approximately 30%. This has the added benefit of reducing reverse leakage at high temperatures and, for TVS and Zener Diodes, the transient protection also increases by approximately 12%.

2) Diode Products

The diodes, which the Company manufactures, can be classified into 4 groups as follows:

(1) **Zener Diodes** are a special type of diode, which allows the reverse flow of electrical current and is capable of withstanding extremely high reverse currents. Therefore, they are used to regulate and stabilize voltage. This is because if the incoming electrical voltage is unstable, the electrical appliance will not function properly. As an example, flickering light bulbs, thus, Zener Diodes are used in automobile light control systems. The Company's Zener Diode products have over 4000 part numbers, including both Axial Leads and SMDs ranging from 2V-200V, 0.25W -5W, Low Power Zeners, Medium Power Zeners and High Power Zeners, for use in designing products in accordance with customer requirements.

(2) **Transient Voltage Suppressor Diodes (TVS)** are diodes used to cut-off electricity

flowing into various types of parts or protect against power surges. For example, lightning strikes, this type of diode will direct the excess electricity into the ground. These diodes are used in various telephones, water sprinkler controller systems, automobile windscreen wiper systems and machinery controller systems.

The Company's Transient Voltage Suppressor Diodes (TVS) products range from 200W to 50kW and 6.2V to 462V. The Company has also designed 150kW products based on our customer's requirements. For SMA/SMB/SMC products, the Company is capable of manufacturing up to 3000W and 6600 W for D2PAK products, based on customer requirements.

(3) **Rectifier Diodes** are diodes, which only allow current to flow in one direction. Thus, it has the feature of converting current from Alternating Current (AC) to Direct Current (DC) and is used in power supplies. This feature is a basic feature and is important for most types of electrical appliances and electronic equipment. This is because the current generally supplied is AC whereas electrical appliances and electronic equipment use only DC. Therefore, it is necessary to convert AC into DC before sending the current into the circuits in the electrical appliances and electronic equipment.

For the above products, the Company has sub-categories as follows:

- **Standard Rectifiers** are diodes for general use in circuits with low frequency (not exceeding 1 KHz) which is used in converting current for general household electrical appliances.

- **Fast Recovery Rectifiers (FR)** are diodes for use in higher frequencies compared to normal diodes (not exceeding 30 KHz) in switching power supply circuits such as small telephones and ballasts for lighting equipment.

- **High Efficient Rectifiers (HER)** are diodes used in switching circuits, which have a frequency of over FR (not exceeding 200 KHz) such as switching power supplies for printers and automatic braking systems (ABS) in automobiles, as well as other equipment.

- **Super-Fast Rectifiers (SF)** are diodes used in switching circuits which have a frequency of higher than HER (not exceeding 1 MHz) such as voltage control circuits in televisions and inverters for air conditioners.

- **Schottky Rectifiers** are diodes, which are designed for use in switching circuits, which have high frequencies (exceeding 1 MHz), and low voltages. These diodes are capable of short time reverse, which allows current to flow continuously. With these features, they are used in switching power supply circuits for computers.

- **Bridge Rectifier Diodes** are a combination of 4 to 6 diodes allowing a full wave conversion of current as well as providing more resistance to current. These are used in power supplies for air conditioners and amplifiers.

- **Rectifier Diodes** manufactured by the Company range from standard to super-fast recovery, along with Schottky ranging from 1A-50A (20V-10,000V). Further, these can be designed in accordance with the requirements of the customer.

(4) **High Speed Switching Diodes** are diodes used in circuits for electronic equipment which require fast on & off switching, such as digital circuits or small signal circuits with high frequencies. Currently products in the high speed category will be glass diodes, which are different from normal diodes in that they are encased in glass instead of epoxy compound used in normal diodes. These diodes are used for equipment or electrical circuits which must receive and separate signals with low current or voltage.

The diodes which the company manufactures have more than 14,000 part numbers or more than 50 packages. When considering the standard of the products, they can be categorized into 2 categories:

- 1) The Company's standard products mean products which the company manufactures to comply with electrical requirements specified by the Company. These products are generally manufactured for the Company's customers.
- 2) General standard products means products which the company manufactures having different electrical properties from those specified by the Company. These are a result of manufacturing defects and are not products which the company intended to manufacture. However, these products are still of international standard and can be used generally. The Company sells these products without using the "EIC" brand.



Investment Promotion Benefits and Privileges

The Company transferred to the subsidiary (EIC Semiconductor Co.) the promotional privileges under the Investment Promotion Act B.E. 2520 for the manufacture of Wafer (GPP, Open Junction), Diode, Transistor and Thyristor under promotion certificate no. 2017 (2) / 2549 dated 27 October 2006 and a revision of promotion certificate OR GOR 0906/008204 dated 4 April 2007 from Electronics Industry Public Company since 1 April 2014. The main privileges as follow:

1. Exemption of import duty on machinery.
2. Exemption of corporate income tax for the promoted activities at the rate not exceeding 100% of investments excluding of cost of land and working capital for a period of eight-year from the date income is first derived (30 October 2006).
3. On completion of the initial eight-year exemption period, the company is entitled to utilize the accumulated losses in respect of the promoted activities, if any, incurred during the promotional period against the corporate income tax for the following 5 years from the expiry date of promotional privileges.

To be entitled to the privileges, the subsidiary must comply with certain conditions and restrictions relating to the rights and privileges included in the promotional certificates.

2.2 The Market and Competition Conditions

- Marketing Policy

Diodes which the Company manufactures are used as components in electricity control systems in electrical appliances and electronic equipment. The Company's main customers are manufacturers of electrical appliances and electronic equipment (Original Brand name Producers), companies which are contracted to manufacture components or parts of electrical appliances and electronic equipment and companies which are agents selling semiconductors. The majority of the Company's customers focus on the quality of the products

Apart from this, the Company also designs products with special characteristics based on customer requirements, for example, Sew Motor Driver GmbH in Germany.

Regarding product distribution channels, the Company sells its products through its appointed distributors as well as directly to customers, both foreign and domestic, as follows:

The Company has 2 appointed distributors as follows:

- (1) EIC International Co., Ltd., responsible for distributing products in Hong Kong and China; and
- (2) EIC Semiconductor Co., Ltd, responsible for distributing products in the United States of America.

Sales through agents are under the terms and conditions in the 'Sole Agent Agreement', the contents of which can be summarized below:

- (1) The Agent is appointed to be a distributor for the Company and to sell products under the "EIC" brand. The Agent is authorized to use the Company's brand for advertising purposes and the Agent will be responsible for promoting, advertising and conducting marketing activities, or appointing sales staff, to promote the Company's products, in the sales area mutually agreed upon between the parties.
- (2) The relationship between the Company and the Agent is only that of seller and purchaser. Each party may cancel the agreement, and the agreement does not specify an expiry date.
- (3) The value and quantity of products ordered must coincide with the criteria set by the Company.
- (4) The price of the products sold to the Agent is the Sole Agent Price, a form of discount, which is different from that sold to general customers.

The details of sales through the distributors appointed by the Company for last three years are as follows:

Distributor	2014		2013		2012	
	Million Baht	%	Million Baht	%	Million Baht	%
1 EIC International Co., Ltd.	53.47	29.56	58.67	31.37	49.09	34.83
2. EIC Semiconductor Inc.	12.45	6.88	11.41	6.10	13.38	9.49
3. General Customers (Direct Sales)	114.99	63.56	116.96	62.53	78.49	55.68
Total	180.91	100.00	187.04	100.00	140.96	100.00

- Competition Condition

The Semiconductor Industry Association has divided products in the semiconductor devices industry, in the world market, as follows (1) Discrete Semiconductors; (2) Optoelectronics; (3) Sensors; and (4) Integrated Circuits.

Discrete Semiconductor consists of 1) Photosensitive and LED semiconductor devices; 2) Transistors; 3) Diodes; 4) Mounted Pies-electronics crystals; 5) Diacs, thyristors and triacs. These components are important elements of electronic equipment.

Manufacturers and sellers of semiconductors can be divided into 3 groups as follows:

Group 1

Manufacturers of semiconductors (diodes) for use as a component for products produced by the manufacturer itself, with no sales of the semiconductors. For example, Toshiba, which has subsequently changed its policy and outsourced this activity.

Group 2

Manufacturers of semiconductor (diodes) for use as a component for the products produced by the manufacturer itself. These manufacturers also sell the semiconductors to other manufacturers of electrical appliances and electronic equipment. For example, Phillips Semiconductor, Onsemi and Hitachi.

Group 3

Manufacturers of semiconductors for sale in all industries. These are large scale manufacturers and sells all types of semiconductors including 1) Photosensitive and LED semiconductor devices; 2) Transistors 3) Diodes; 4) Mounted Piezo-electronics crystals; 5) Diacs, thyristors and triacs. These manufacturers have manufacturing bases around the world, such as in China, Taiwan and South Korea and offer the full range of products, prices and quality of products. Usually these manufacturers use take overs as a strategy in expanding their business which allows for rapid growth.

Large scale manufacturers and sellers of semiconductors in the world market whom manufacture and sell the full range of discrete semiconductors, have a variety of products, and whom have manufacturing bases in many countries around the world include Infineon, Mitsubishi Electric, Toshiba, STM Microelectronics, International Rectifier, Fuji Electric, Fairchild, Vishay, Renesa and Semikron. The Competition Is limited to a manufacturer and distributor of Group 2 and Group 3 only.

EIC Semiconductor Ltd. ("EIC Semi") is a small manufacturer and distributor, which focuses on the product quality and focuses on customer needs therefore product quality is key. The customers are loyal to the brand so there are the low propensity of customers to switch to other manufacturers. Therefore, EIC Semi is not in any groups as discussed above.

According to the Economic Report 2014 and Outlook for 2015 which has been prepared by the Ministry of Industry reported that the production of electrical and electronic industry in 2014 the production index stood at 278, up by 1.10% compared to last year, which comes from the electronics industry rose by 2.35% compared to the previous year since the use of communications devices increase. Meanwhile, the electricity industry has dropped by 0.14% compared to last year since in the first half of the year, purchasing power has been declined and consumers are spending more cautiously. However, the market began to recover in accordance with the confidence of consumer which increased during the quarter 3/2014. In 2015, electricity and electronics industry is expected to have an increase in production by 1.2% compared to last year. The electronics industry is expected to increase by 0.5-1% compared to the previous year which due to the increasing demand of communication devices, however, the expansion is not growing rapidly compared to a year ago. The electricity industry is expected to rise by 1-2% compared to last year from the domestic market 's recovery and exports as the economy improves.

In 2014, appliances and electronics exports were valued at US\$ 55,392 million, an increase of 3.84 % compared to last year. The exports to major markets has increased in all major markets including the US, EU, ASEAN, Japan, except China which was dropped down from the demand of HDD by ³/₄.

2.3 Procurement of Product

The factory is located in in Latkrabang Industrial Estate, Bangkok, with a total area of approximately 16,000 square meters; the production area is approximately 10,000 square meters. . This factory is used to produce wafers and diodes. The capacity of the factory for wafers is approximately 44,000 units per month for wafers and 400 million per year for diodes. Presently, the production capacity is about 227.5 million units per year, and use 50% of total production capacity per year.

The Company's diode production lines are divided according to the shape of the diode, and can be categorized as follows:

- Axial Lead (Standard) are diodes which have standard shape, having legs coming out of both sides;
- SMD (Surface Mounted Diodes) are special diodes, having no legs and are mounted on their surface;
- Diode Bridges are a combination of 4 to 6 diodes arranged together in a straight line or in a square; and
- Glass Diodes.

The Company manages the sourcing of its principal raw materials used in the production of diodes, namely silicon wafers, solder, lead wires, terminals, lead frames, silicon resin, compounds and chemicals, which are imported from countries such as Japan, Germany, Taiwan, and the United States of America. The Company's policy is to conduct business with many raw material suppliers to eliminate dependence on a single supplier. Throughout its history, the Company has always maintained good relationships with all raw material suppliers and has never experienced a shortage of raw materials.

However, the Company does not source its raw materials from any single supplier having a value exceeding 30% of the total value of supplies. The imported raw materials constitute 80% of the total raw materials while domestic supplies constitute 20%.

In relation to the procurement of raw materials, the Company orders from a list of suppliers which has passed quality and standard verification by the Company so that the Company can be certain and confident in the quality of raw materials used to manufacture the Company's products. The list of suppliers is updated every year, for the benefit of the Company in terms of allocation of risk in procurement and in terms of price advantages.

For its past operations, the Company has never encountered a critical situation of a shortage of raw materials for production.

Operations to Reduce Environmental Impact.

Electronic Industries Co. Ltd. (Thailand) "EIC" has been active for more than 20 years and the company has been certified by ISO 9001 which is a quality system certification starting from research, design and production services including international standards ISO 14001 and ISO / TS 16949.

The company uses raw materials that are environmentally friendly so that all products have high standards that comply with RoHs standards and are environmentally friendly. EIC performs a rigorous quality control during production and prior to delivery. AQL.01 or Acceptable Quality Level is used to sample products before delivery to customers. The Company samples every product for 10,000 units and if only one unit fails to meet quality standards, the whole lot will be rejected. Also, there is a High Reliability test for each lot to ensure that EIC brand products will last for a long time and are suitable for use in every industrial manufacture.

In addition, being a manufacturer of GPP Wafers, with innovative development of the GPP Wafer, has a positive impact on the quality of Diodes and contributes to the design of Diodes in a variety of products. Moreover, GPP Wafer also contributes to reducing the impact on the environment. GPP Wafer material assemblies are Diodes which help the end products last for a long time and enables end users to save energy because GPP causes less electrical leakage. GPP Wafers will reduce the impact of global warming and pollution due to its resource-efficient nature.

In the past the company had a dispute or litigation related to the environment.

2.4 Undelivered Products

-None-

2.5 Business of Associated Company

Smart Traffic Company Limited (“Smart Traffic”), The Company holds 30.02% of the total shares of Smart Traffic. Smart Traffic designs, develops and sells Electronic Tollway Collection Systems (ETCS) for use in the collection of expressway tolls, automatic cash (Easy Pass), electronic payment via mobile phone or Near Field Communication (NFC) and payment by credit card (VISA Paywave) for transportation, management system and exchange of points issued by retail outlets and communication (Loyalty Program), and the preparation of a common ticketing system and Clearing House (Clearing House). Smart Traffic also provides the integrated electronic systems to track service and maintenance for private and public entities. Smart Traffic products and services are as follows:

(1) System Integration of Manual and Electronic Toll Collection System

Smart Traffic has provided consulting, operating, networking and installation of integrated toll collection systems with which users could utilize contactless smart card to replace cash.

- a) Installed electronic toll collection systems for DOH on Express Highway no.7 and no.9



- b) Installed electronic toll collection systems for EXAT on Chalongrat Expressway, Chalem Maha Nakhon Expressway and Buraphawithee Expressway.



(2) Maintenance toll collection systems and equipment

Smart Traffic has provided maintenance and repair services for toll collection system. The services include both equipment damage and system maintenance.

- a) Smart Traffic was awarded a contract from DOH to repair damaged toll collection equipment.

b) Smart Traffic was awarded a contract from DOH to maintenance toll collection system on Express Highway no.7 and no.9.

(3) Electronic Payment Solution based on contactless Smart Card Technology

The system is based on contactless smart card technology to replace cash payment method by allowing users to add value of the smart card via through service centers for which Smart Traffic provides both equipment and management systems.

a) Provide electronic payment solutions for Major at the Paragon Cineplex and the Esplanade Cineplex through which users were able to utilize smart cards to buy movie tickets and the products and services of Major group instead of cash payment.

(4) Parking Management



The Parking Management system uses computers to control the system which records various information related to parking business such as parking fees calculation and records traffic statistic based on contactless smart card.

- Provide Parking Management System for various department stores, buildings and organizations such as department stores under Central Group



(5) Distribute smart cards used for electronic toll collection system.

Smart Traffic has provided Easy Pass cards to EXAT and BECL, which is the smart card used for electronic toll collection system.



The customers of Smart Traffic can be classified into two groups consisting of: (1) government agencies including the Department of Highways and Expressways, and (2) other organizations,

including the University Mall, office buildings and hotels, etc. To date, the main customers of Smart Traffic have been government agencies. Most of the jobs consist of installing electronic toll booths, plazas and control rooms as well as the maintenance and repair of ETCS. Smart Traffic has to go through the process of bidding and purchasing the units. Smart Traffic has high skills and is effective in working with major clients in several projects including private and government entities.

3. Risk Factors

3.1 Risks relating to the Company's business

Presently, the Company is operating electronics business and related electronic business. However, the Company might face both internal and external risk factors, which might affect its financial condition and performance. The main risk factors which may have significant impact are as follows:

- **Risks from economic condition**

The main electronic product of EIC Semi is Discrete Semiconductors, especially diodes which are basic component in all types of electronic equipment which is subject to technological change which may affect end user habits as well as economic growth and the GDP of the country. The risk from economic conditions may cause the growth of the Company's sales to be below target, therefore the Company pushed for the EIC brand to be accepted in terms of quality by manufacturers from all industries, in order for customers to use the Company's products as an effective component in all types of electronic equipment and electrical appliances ("EIC Quality Diodes behind every great system") and to create a variety of products to match customer requirements.

- **Risk from technological changes**

As the diodes manufactured by the Company are basic components in electrical circuits used in the manufacture of electrical appliances and electronic equipment subject to constant changes in technology, such as televisions and electronic equipment in automobiles for instance. These changes also result in changes to the semiconductor technology (diodes). The majority of changes are in 2 stages, namely changes to electrical properties and shape. Changes to electrical properties include the maximum and minimum amount of current and voltage which can flow through the diodes. For changes in relation to shape, these include diodes with shorter legs, with no legs, or are smaller. Therefore manufacturers of semiconductor (diodes) must be ready for such changes and capable of responding to the requirements of manufacturers in different industries.

In 2002 the Company expanded the area of its factory by an additional 4,000 square meters to be 16,000 square meters to support the production of glass diode products, which are different from normal diodes, i.e. the product is encased in glass instead of epoxy compound, as well as surface mounted diodes, which are special diodes having no legs. Since 2006 the Company expanded its business into an upstream industry by becoming a manufacturer and designer of wafers, an important component in the manufacture of diodes so as to support the design process and better respond to technological changes. Furthermore, in relation to the Company's production lines, they are able to support many types of packaging as well as the improved production of products with special properties, based on customer requirements. The Company has also formed alliances with other foreign manufacturers, which have potential, in order to develop the manufacturing process in line with constantly changing technology.

- **Risks relating to Inventory**

It is necessary for the Company to stockpile raw materials and a variety of products in order to increase its competitiveness in the market.

As of 31 December 2014, the subsidiary company has inventory of Baht 156.35 million or equivalent to 44.29% of total current assets and equivalent to 26.79% of total assets.

The large remaining amount of inventory may result in a sales slowdown. In addition, for reasons of technology, electronics and appliances end products are changing rapidly. Diode or basic equipment to be used in the manufacture of electronic goods and appliances made the manufactures

of end Products are not widely used in its own production technology. As there is a risk that it will become obsolete and expensive to administer expenses the Company has a policy for allowance in diminution of the value of inventories in full for all types of inventory which is obsolete or slow moving and more than 4 years old. As a result, there are higher costs and net profit decreased by Baht 69.86 million or equivalent to 40.51 % of the net loss.

However, the reason why the Company needs to stockpile raw materials and a variety of products are as follows:

(1) It is necessary for the Company stores semi-complete and complete products to meet the usage demands of customers. This is because in the logistics system for the modern semiconductor industry, manufacturers of all types of electrical appliances, automobile parts and electronic equipment will transfer their cost in storing and distributing products and raw materials to suppliers who are the manufacturers of critical parts. For the Company's business as a manufacturer of diodes it is necessary to store a variety of semi-complete and complete products to meet the demands of customers, in accordance with purchasing plans, especially for important customers.

(2) To create an advantage in terms of the timing of delivery and to respond to the policy of manufacturing a variety of products to cater for customer's demands (which change in accordance with the technology) and to facilitate customers who can order a variety of products, without having to purchase products from other manufacturers, it is necessary for the Company to store a sufficient amount of raw materials for production.

However, the Company's products, namely diodes, wafers, chips and dices are stored at the Company's warehouse. The Company has received an academic opinion from the Electronics Research Center at King Mongkut's Institute of Technology Ladkrabang and the National Electronics and Computer Technology Center at the National Science and Technology Development Agency in relation to the non-obsolescence and non-deterioration of this material.

The opinion states that diodes, wafers, chips, and dices stored in the Company's warehouse will retain their electrical properties without any deterioration in properties, for the following academic reasons:

(1) All diodes, wafers, chips and dices are manufactured from semiconductor material which has a high melting point. For example, silicon which has a melting point of 1,416 degrees Celsius. Therefore any damage due to the temperature at room temperature is minimal and indeed is regarded as non-existent.

(2) The structure of the diodes are created from doping N-type or P-type (depending on the type of the base) to create a P-N junction. The doping is done at high temperatures (exceeding 800 degrees Celsius only) and cannot be performed at room temperature as the atoms of the substances will not diffuse.

(3) The main reason for the changes to the properties of diodes, wafers, chips and dices is the diffusion of the substances at the P-N junction and at the junction between the semiconductor and the metal use to make the pole. However, as at room temperature the atoms of the substances will not diffuse, it can be said that at room temperature, the deterioration of semiconductors from the diffusion of substances can be eliminated.

(4) Changes to the properties of diodes, wafers, chips, and dices which have a metal pole may face deteriorate due to the metal itself for instance, the metal may react with air becoming an oxide of the metal. This can be countered with encasing the product, creating a protective layer or storing in a place with no oxygen. Another reason which may cause the metal to deteriorate is the temperature. Normally metals used for the poles connected to semiconductors cannot withstand high temperatures (lower than 500 degrees Celsius). However, at room temperature, there will be no changes to these metals. Thus deterioration of the metal will not occur if the products are at room temperature and there is no contact with oxygen.

Si Diodes stored in the Company's warehouse are non-obsolete material and there is no replacement. The academic reasons for this are as follows:

(1) Diodes are basic components for use in all types of electrical appliances, electronic equipment and computers, in particular switching power supplies from AC to DC. These circuits have been widely used for over 20 years and demonstrate the importance of diodes, which are irreplaceable and have always been innovative.

(2) Although the technology relating to electronic equipment is rapidly changing, integrated circuits are constantly being created and improved. However, such equipment will have limited functions used to control very complicated mechanisms, which require constant development. Despite this, Si diodes remain a necessary component for such circuits. Further, other uses for diodes have been developed, for example, to protect against damage which may occur from integrated circuit.

(3) Where it is necessary to use high power devices, choosing to use integrated circuits alone will not allow the supply of high power. It is necessary to use Si Diodes in combination with the circuit. Moreover, if circuit techniques are used instead of Si Diodes, the cost will be many times more than using Si Diodes and may cause additional problems, for example, accumulating heat.

(4) Although there is currently research to find new materials to replace silicon, such as Gas or diamond film, but when compared to silicon, the manufacturing process is much more complicated, resulting in a higher cost compared to silicon. Therefore, it is not commercially viable to use these new materials in the production of diodes.

- **Risk from foreign exchange rates**

As the majority of raw materials used in production is imported from overseas and must be paid for in foreign currencies, the Company has a risk in regarding foreign exchange rates. However, due to the way the Company sells its products, focusing on exports and receiving payment in foreign currencies, this is a natural hedge against this risk. Although this is not a complete shield against the risk from foreign exchange rates, it assists the Company to reduce such risks, as the amounts of income and expenditure are not high. Apart from this, the company has also been approved for a FWC from a commercial bank where the company wishes to protect itself from this risk.

- **Risk of dependence on Distributors**

The Company distributes products through 2 channels, namely directly to customers and through distributors (Sole Agent – AG) appointed by the Company to assist with the marketing and distribution in each area determined by the relevant contract. The appointed distributors must market the products, regardless of whether through booths at events or the development of websites in order for customers to easily find information on the Company.

In 2013 the Company had an open policy regarding persons who wished to become distributors for the Company's products in parallel with direct sales to different groups of customers in order to reduce the risks to the Company as the Company will have less sales through distributors when compared to direct sales to different groups of customers, both domestic, in Asia and in Europe.

3.2 Risks on Investment by Securities Holders

- The risk that the Company has incurred operating losses which result in its inability to pay dividends in the foreseeable future.

In fiscal year 2014, the Company reported a net loss of Baht 172.47 million, an operating loss for the third consecutive year of the Company. The net loss of the Company is mainly due to the recession in Europe and the United States. As a result, demand for consumer goods has fallen and the business of Discrete Semiconductor around the world has been affected by the recession while the costs of goods sold and administrative expenses have also increased as a result of the restructuring of business. The Company has incurred operating losses which might causes the shareholders to face the risk of not receiving the dividend under the dividend policy of the Company.

However, the subsidiary company is in the process of adjusting its marketing strategy in order to increase revenue and improve cost controls to improve the company's ability to pay dividends to shareholders.

4. General information and other important information

4.1 General Information

4.1.1 General Information of the Company

Name of Company	: Electronics Industry Public Company Limited ("EIC")
Head Office	: 65 and 68, Chalong Krung 31 Road, Lumplatiew Sub-district, Latkrabang, District, Bangkok 10520
Telephone	: (+66) 2 651-4050
Fax	: (+66) 2 651-4051
Website	: www.eicasia.net
E-mail	: info@eicasia.net
Registration No.	: BorMorJor. 40854600004
Business Type	: Electronics business and related electronics business
Registered Capital	: Baht 600,000,000
Paid-up Capital	: Baht 476,881,145 consists of 476,881,145 ordinary shares
Par Value	: Baht 1

4.1.2 General Information of Subsidiary and Associated Company

1. Subsidiary Company

Name of Company	: EIC Semi-Conductor Company Limited ("EIC Semi")
Head Office	: 65 and 68, Chalong Krung 31 Road, Lumplatiew Sub-district, Latkrabang, District, Bangkok 10520
Telephone	: (+66) 2 326 1234 และ (+66) 2 739 4580
Fax	: (+66) 2 326 1020
Registration No.	: BorMorJor. 0105556191882
Business Type	: Manufacturer and seller of the full range of discrete semiconductors (Manufacturer with Wafer Fabrication) and also a manufacturer of silicon wafers for use in the assembly of diodes.
Registered Capital	: Baht 474,031,900
Paid-Up Capital	: Baht 474,031,900 consists of 4,740,319 ordinary shares
Par Value	: Baht 100 per share
% of shareholding by the Company	: 4,740,317 shares or equivalent to 99.99 % of paid-up capital of EIC Semi

Information of Sales Agent

United State : EIC Semiconductor, Inc.

15705 Arrow Highway, # 4 & 5,

Irwindale, CA 91706 USA

Tel: (626) 960-0877

Fax: (626) 960-0871

Asia-Hong Kong

<p>: EIC International Co.,Ltd.</p> <p>Room 702, Block B,</p> <p>Hoi Luen Industrial Centre</p> <p>55 Hoi Yuen Road, Kwun Tong,</p> <p>Kowloon, Hong Kong</p> <p>Tel : (852) 2341 6681</p> <p>Fax : (852) 2343 9959</p>	<p>Sun Light Electronics (H.K) Ltd.</p> <p>Room 703, Block B,</p> <p>Hoi Luen Industrial Centre,</p> <p>55 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong</p> <p>Tel : (852) 2389 8280</p> <p>Fax : (852) 2343 2315</p> <p>URL : www.sunlight.com.hk</p> <p>E-mail : info@sunlight.com.hk</p>
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Asia-China

<p>: Sun Light, China Headquarter</p> <p>Sun Light Electronic Building ,</p> <p>Punan Road, Eastern Section of Guangzhou Economic and Technological Development District,</p> <p>Gangzhou, China 510760</p> <p>Tel : (86-20) 82251238</p> <p>Fax : (86-20) 82251805</p>	<p>EIC Semiconductor Inc.</p> <p>RM 25E & F, Metropolis 100A</p> <p>Zhonghan Rd, ShenZhen, China</p> <p>Tel: 0755-83987303</p> <p>Fax: 0755-83987323</p>
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2. Associated Company

Name of Company	: Smart Traffic Company Limited
Head Office	: 565/1 Soi Ramkhamhaeng 39 (Theplila1) Phlapphla, Wang Thong Lang, Bangkok 10310
Telephone	: (+66) 2 318 9400
Fax	: (+66) 2 319 6397
Registration No.	: BorMorJor. 0105542074935
Business Type	: Integrated smart card (electronic systems) Including repair and maintenance services for Public and private entities
Registered Capital	: Baht 10,000,000
Paid-up Capital	: Baht 10,000,000 consists of 1,000,000 ordinary shares
Par Value	: Baht 10 per share
% of shareholding by the Company	: 302,000 shares or equivalent to 30.02% of paid-up capital of Smart Traffic

4.1.3 Reference Persons

Security Registrar

Thailand Securities Depository Company Limited

62 The Stock Exchange of Thailand Building, 7th Floor,
Ratchadapisek Road, Klongtoey, Klongtoey,

Bangkok 10110

Tel: (+66) 2 229 2800

Fax : (+66) 2 359 1259

Call center : (+66) 2 229 2888

Auditor

Website : www.tsd.co.th

Mr. Surachai Damnoenwong

Certified Public Accountant (Thailand) No. 4721

Ms. Lehum Chinnapan

Certified Public Accountant (Thailand) No. 7306

RSM Audit Services (Thailand) Limited

26/F Sathorn City Tower 175 South Sathorn Road,

Thungmahamek, Bangkok 10120

Tel: (+66) 2 670 9002-6

Fax : (+66) 2 670 9027-8

Website : www.rsmthailand.com

4.2 Other Important Information

According to the Extraordinary General Meeting No. 1/2014, which was held on 13 February 2014, EIC has resolved to approve the Company's investment in Smart Traffic by acquiring ordinary shares from its major shareholder up to 49% of total shares, at the price of Baht 500 per share, for a total consideration of Baht 245 million. As of 31 December 2014, the Company has paid deposit of Baht 70 million and purchased the ordinary share of smart traffic of 302,000 shares, representing 30.2% of total paid-up capital, at the price of Baht 500 per share, worth Baht 152 million.

However, according to the Board of Director's meeting No. 1/2015 held on 27 February 2015, it was unanimously resolved to cancel the Sale & Purchase Agreement for the remaining 188,000 ordinary shares of Smart Traffic and request reimbursement of the advance payment for share subscription of Baht 70 million from the seller. Currently, the Company is in the process of requesting the cancellation of the Sale & Purchase Agreement.

5. Information of Securities and Shareholders

(1) Name of Majority shareholders of the Company

The names of the major shareholders of the Company, as of the date the shareholders' register was closed on 15 December 2014, was as follows:

No.	Name of Shareholders	Number of shares	% of Shares Held
1.	Group of Mr. Bee Taechaubol*	142,108,398	29.80
	- Mr. Bee Taechaubol	120,108,398	25.19
	- Thai Prime Co., Ltd **	22,000,000	4.61
2.	Mrs. Rattiwat Chotchaorj	12,258,500	2.57
3.	Ms. Phenchai Yothin-uppamai	11,730,100	2.46
4.	Ms. Wiphawee Thanomjaturong	8,788,300	1.84
5.	Ms. Patinya Wongkusollert	8,650,000	1.81
6.	Miss Suwanna Saengow	7,731,300	1.62
7.	Mrs. Maneewan Jang	6,623,600	1.39
8.	Mr. Narong Wangcharoenwong	5,875,900	1.23
9.	Mr. Wisit Dechawitayathorn	5,000,000	1.05
10.	THAI NVDR CO.,LTD.	4,771,100	1.00
11.	Others	263,343,947	55.23
	Total	476,881,145	100.00

Note

* Percentage of shareholding in the Company by the Group of Mr. Bee Taechaubol is 29.80%, including 25.19% held by Mr. Bee Taechaubol and 4.61% held by Thai Prime Co., Ltd. In this case as Mr. Bee Taechaubol holds 50% of the shares of Thai Prime Co., Ltd he is considered as related person in compliance with section 258 of the Securities and Exchange Commission.

** Thai Prime Co., Ltd has investments in businesses both in and out of the Stock Exchange of Thailand, with a capital Baht 2,000,000 and its list of shareholders is as follows:

No.	Name of Shareholders	Number of shares	% of Shares Held
1.	Mr. Bee Taechaubol	99,999	49.9995
2.	Mr. Aryuphan Karnasuta	99,999	49.9995
3.	Miss Thanaporn Suntarekanon	2	0.0010
	Total	200,000	100.0000

(2) Name of Majority shareholders of subsidiary company

The names of the major shareholders of EIC semiconductor Company Limited, subsidiary company are as follows:

No.	Name of Shareholders	Number of shares	% of Shares Held
1.	Electronics Industry Public Company Limited	4,740,317	99.99
2.	Mrs. Tippawan Chakphet	1	0.001
3.	Mr. Withaya Chakphet	1	0.001
	Total	4,740,319	100

(3) Agreements between majority shareholders

-None -

6. Dividend Policy

(1) Dividend Policy of the Company

The Company has a policy of distributing dividends no less than 50 percent of net profit after corporate income tax, excluding gains or loss on exchange rate which has not been accrued yet. However, it also depends on the investment plan and other relevant factors. The Board of Directors may reconsider or modify the dividend policy from time to time to meet the company's business growth plans in the future, the demand for investment, and other factors deemed appropriate. Though, the dividend payment will not exceed the retained earnings shown in the financial statements of the company.

Summary of dividend payment for last 3 years are as follows:

Dividend payment from operation	2011	2012	2013	2014
Earnings per share (Baht)	0.02	-0.02	-0.03	-0.38
Dividend per share (Baht)	0.015	-	-	-
Dividend Payout Ratio (%)	75	-	-	-

(2) Dividend policy of Subsidiary and Associated Company

As of 31 December 2014, EIC Semiconductor Company Limited (Subsidiary Company) has not established dividend policy however; Smart Traffic Company Limited (Associated Company) has set the dividend policy of distributing 70% of net profits after corporate income tax and Legal reserves and reserves for investment.

7. Management Structure

7.1 The Board of Directors

(1) Names of the Directors of the Company

Currently, the Board of Directors of the Company consists of seven Directors, three are executive directors. There are 3 independent Directors, constituting one third of the total number of Directors.

No	Name	Position	Date of First Appointment
1.	Mr. Bee Taechaubol	Chairman of the Board	5 November 2014
2.	Mr. Somkad Sueptrakul	Vice-Chairman of the Board of Directors/ Chairman of the Audit Committee/ Independent Director/ Chairman of the Nominating & Remuneration Committee	4 December 2013
3.	Mrs. Krishna Jitpatima	Director / Audit Committee / Independent Director/ Nominating & Remuneration Committee	2 December 2013
4.	Mr.Yuthana Phanumaphorn	Director / Audit Committee / Independent Director	27 November 2013
5.	Mr. Withaya Chakphet	Director / Managing Director/ Executive Committee / Nominating & Remuneration Committee	14 February 2003
6.	Mrs. Tippawan Chakphet	Director / Executive Director	14 February 2003
7.	Mr. Teepat Sutabutra	Director	25 April 2014

Remarks:

- Mr. Bee Taechaubol was appointed as a Director on 5 November 2014 to replace Mr. Tawich Pimpapan, who resigned on 22 September 2014, and was subsequently appointed as Chairman of the Board on 9 December 2014.
- Mr. Teepat Sutabutra was appointed to be a Director to replace Mr. Thanabodhi Swadsiri, who resigned at the Annual General Meeting of Shareholder 2014 held on 25 April 2014.
- Mr.Yuthana Phanumaphorn was appointed a Director to replace Mr. Patiparn Karnjanaviroje, who resigned on 24 November 2014.

Authorized Directors

"Mr. Bee Taechaubol, Mr. Teepat Sutabutra, Mr. Withaya Chakphet, Mrs. Tippawan Chakphet, two out of four persons may sign to bind the Company."

Roles, Duties and Responsibilities performed by the Board of Directors

- The Board of Directors is responsible for overseeing the Company's operations to comply with laws, objectives and the articles of association of the Company, as well as shareholders' resolutions, with honesty while preserving the Company's interests.
 - The Company has no history of any lack of compliance

- The Board of Directors considers and approves important matters regarding the Company's operations e.g. vision, mission, strategies, financial goal, budget, Committee Charter for etc., supervises the managements' performance to comply with the specified policy and plans efficiently and effectively, and also provides systems to monitor, improve and evaluate operating results compared with the work plans and approved budget. This is to achieve maximum values to the Company.
- The Company clearly segregates the structures, roles, duties and responsibilities of the Board of directors and the managements. Power of attorney is issued to specify the scope and level of authority for the management engaging in certain business transactions on behalf of the Company. Moreover, the Company regularly communicates the roles, duties and responsibilities to such related persons.
- The Company has initiated, participated in preparation, and approved Corporate Governance Policy and Code of Conduct to the Directors, management and employees to use as a guideline in performing their duties to accomplish the mission of the Company, which is communicated throughout the Company.
- Code of Conduct covers the following topics;
 - Ethics for business conduct
 - Practices towards various stakeholders i.e. shareholders, employees, customers, trade partners, creditors, competitors, social and environment
 - Ethics for the Directors
 - Ethics for the employees in various aspects such as conflict of interests, confidential information, provision, inside information, anti-bribery and corruption, intellectual property and the use of information technology
 - Monitoring procedures and disciplinary actions.
- The Company has clear procedures to oversee transactions that may have conflict of interest and set up regulations regarding connected transactions in line with the Regulations of the SEC. In the event that the transaction must be approved by the Board of Directors and/or the shareholders' meeting, it shall be screened by the Audit Committee which would give an opinion on entering into such a transaction. If the Board of Directors has a different opinion to the Audit Committee, the Company shall also disclose the different opinion. In addition, in case that a particular Director has an interest in certain issues, he shall not be allowed to vote on such an agenda.
- To evaluate the efficiency of the Company's internal control system, the Company has Internal Audit division as a separate unit, which is responsible to audit, evaluate, recommend and support the effectiveness and improvement in risk management, control and corporate governance in accordance with International Standards for the Professional Process of Internal Auditing and reports the audit results to the Audit Committee and administration matters to the Managing Director. The Board of Directors and the Audit Committee reviews the Assessment Form of Adequacy of Internal Control System annually.

(2) Name of Directors of subsidiary company

The Directors of EIC Semiconductor Co Ltd consists of three directors, who are the Executive Director of the Company. They are representative of the Company to serve as directors of subsidiary company as follows:

No	Name	Position	Attendance at Meetings
1.	Mr. Withaya Chakphet	Director / Managing Director	2 / 2
2.	Mrs. Tippawan Chakphet	Director	2 / 2
3.	Mr. Luca Roveda	Director	1 / 2

Authorized Directors

“Mr. Withaya Chakphet or Mrs. Tippawan Chakphet may sign to bind the Company”

(3) Board of Directors’ Meeting in 2014

Board of Directors’ Meeting in 2014 can be summarized as follows:

Name of Director	Position	First Appointment	Resignation	Attendance at Meetings		
				Shareholder	Board of Director	Audit Committee
Mr. Bee Taechaubol	Chairman of the Board	5 Nov 2014	-	-	2 / 3	-
Mr. Somkad Sueptrakul	Vice-Chairman of the Board of Directors/ Chairman of the Audit Committee	4 Dec 2013	-	3 / 3	15 / 16	4 / 4
Mrs. Krishna Jitpatima	Director / Audit Committee	2 Dec 2013	-	2 / 3	15 / 16	4 / 4
Mr. Yuthana Phnumaphorn	Director / Audit Committee	27 Nov 2013	-	-	1 / 1	1 / 1
Mr. Withaya Chakphet	Director	14 Feb 2003	-	3 / 3	14 / 16	-
Mrs. Tippawan Chakphet	Director	14 Feb 2003	-	2 / 3	9 / 16	-
Mr. Teepat Sutabutra	Director	25 April 2014	-	2 / 2	5 / 8	-
The Director who resigned during 2014						
Mr. Patiparn Karnjanaviroje	Chairman of the Board	2 Dec 2013	24 Nov 2014	3 / 3	11 / 14	-
Mr. Thanabodhi Swasdisri	Director	2 Dec 2013	25 April 2014	2 / 2	9 / 9	-
Mr. Tawich Pimpapan	Director/ Audit Committee	4 Dec 2013	22 Sep 2014	2 / 3	8 / 11	1 / 2

In 2014, there were no nomination committee and remuneration committee meeting because of the reorganization of the Company. As a result, there were the resignations of members of the nomination and remuneration committees and other significant issues to be considered primarily in the meeting of the Board of Directors and the Audit Committee. In 2014, the Board of Directors met 16 times and the Audit Committee met 4 times.

7.2 Executive Committee

(1) Name of Members of the Executive Committee

As of 31 December 2013, the Company has 5 Executive Committee Members under the definition by SEC as follows

Name	Position
1. - *	Chairman of Executive Director
2. Mr. Withaya Chakphet	Executive Director
3. Mrs. Tippawan Chakphet	Executive Director
4. Mr. Luca Roveda	Executive Director / General Manager
5. Mr. Pathanasak Sirasitthichoke **	Accounting and Finance Manager

Remarks * Mr. Bee Taechaubol has been appointed to be Chairman of Executive Director on 27 February 2015 to replace

Mr. Patiparn Karnjanaviroje, who resigned on 24 November 2014.

** Mr. Pathanasak Sirasitthichoke resigned on 20 January 2015 and the Company is currently recruiting for this position.

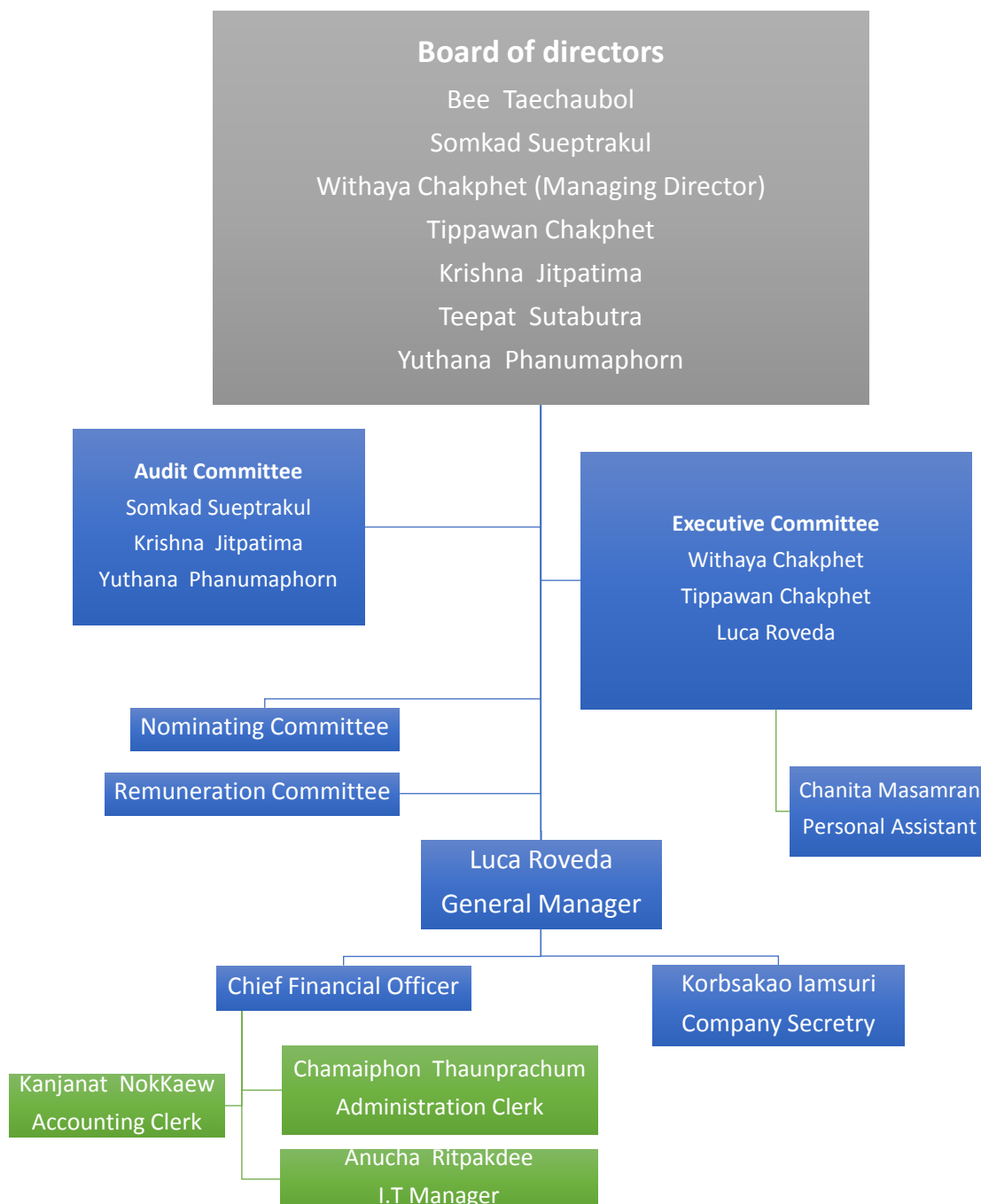
(2) Name of Executive Committee members of subsidiary company

As of 31 December 2013, EIC Semi, subsidiary company has 8 Executive Committee Members as follows:

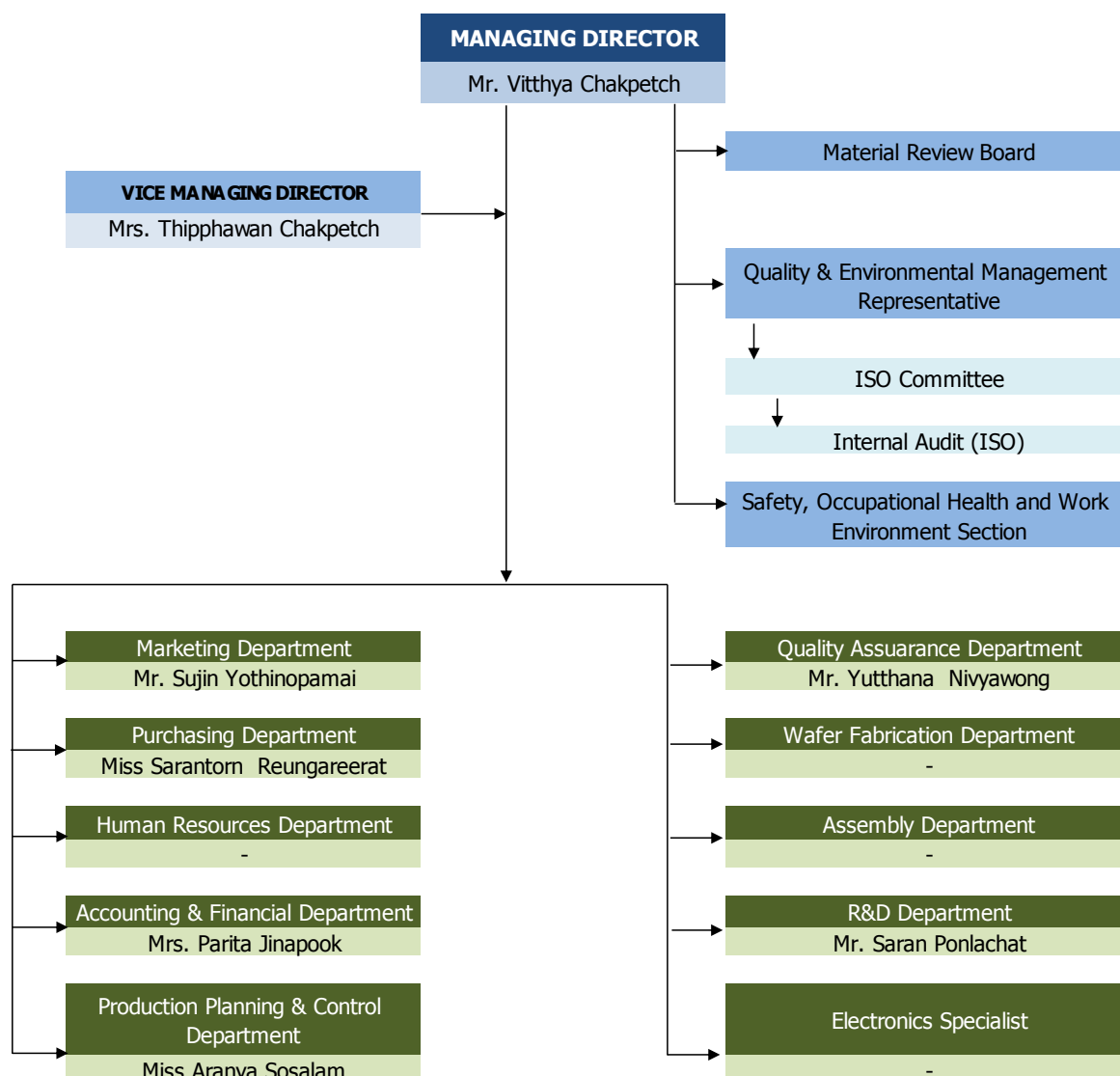
Name	Position
1. Mr. Withaya Chakphet	Managing Director
2. Mrs. Tippawan Chakphet	Deputy Managing Director
3. Ms. Parita Jinnapuk	Accounting and Finance Manager
4. Mr. Yuttana Newyawong	Quality Assurance Manager
5. Mr. Sarun Polachart	Research and Development Manager
6. Ms. Sarunthorn Ruang-Areerat	Procurement Manager
7. Ms. Aranya Sosalam	Production Planning and Control Manager
8. Mr. Sujin Yothinopamai	Marketing Manager

Remark: Persons above (1-8) are considered as the first four executive directors by definition of SEC.

Organization Structure of Electronics Industry Public Company Limited
as of 31 December 2014



Organization Structure of EIC Semiconductor Company Limited
as of 31 December 2014



7.3 Company Secretary

According to Board of Director Meeting No. 11/2014 which held on 14 August 2014 it was resolved to appoint Miss Korbsakao Iamsuri as Company Secretary, effective 14 August 2014 to replace Miss Pichsinie Pangpomma who resigned on 13 August 2014.

7.4 Remuneration of Directors and Executives

7.4.1 Remuneration of Directors and Executives of the Company

(1) Cash Remuneration

Remuneration of Directors

The Annual General Meeting for the year 2013, held on 23 April 2013 obtained resolutions to fix the remuneration of directors, which can be divided as follows:

The Annual General Meeting for the year 2014, held on 25 April 2013 obtained resolutions to fix the remuneration of directors and audit committee. In 2014, the meeting allowance paid can be shown as follows:

1) Remuneration of Directors

- Chairman of the Board Baht 15,000 per meeting
- Independent Director Baht 10,000 per meeting
- Director Baht 10,000 per meeting

2) Remuneration of Audit Committee Directors

- Chairman of the Audit Committee Baht 15,000 per meeting
- Audit Committee Member Baht 10,000 per meeting

3) For other welfare and benefits, these will be prescribed appropriately in accordance with the performance of the Company.

The remuneration as mentioned above has been effective since 1 January 2014 until there are any changes approved by shareholders. In 2014, the total remuneration did not exceed Baht 4,000,000.

The Company paid meeting allowance in accordance with the following attendance:

Name	Position	Remuneration (Baht) each committee				
		Board of Director	Audit Com.	Nomination	Remuneration	Tot.
Mr. Bee Taechaubol	Chairman of the Board	30,000	-	-	-	30,000
Mr. Somkad Sueptrakul	Vice-Chairman of the Board of Directors/ Chairman of the Audit Committee/ Chairman of the Nomination/ Remuneration	150,000	60,000	-	-	210,000

Name	Position	Remuneration (Baht) each committee				
		Board of Director	Audit Com.	Nomination	Remuneration	Tot.
	Committee					
Mrs. Krishna Jitpatima	Director / Audit Committee / Nominating Committee	150,000	30,000	-	-	180,000
Mr. Yuthana Phnumaphorn	Director / Audit Committee	10,000	-	-	-	10,000
Mr. Withaya Chakphet	Director /Nominating Committee/ Remuneration Committee	140,000	-	-	-	140,000
Mrs. Tippawan Chakphet	Director	90,000	-	-	-	90,000
Mr. Teepat Sutabutra	Director	50,000	-	-	-	50,000
Mr. Patiparn Karnjanaviroje	Chairman of the Board	165,000	-	-	-	165,000
Mr. Thanabodhi Swadsiri	Director	90,000	-	-	-	90,000
Mr. Tawich Pimpapan	Director Audit Committee Chairman of the Remuneration Committee	80,000	10,000	-	-	90,000
Total						1,055,000

Remuneration of Executives

Total Cash Remuneration of first 4 Executive Director under the definition of SEC is Baht 7,965,483 including salary, bonus, and provident funds.

(2) Other Remuneration

Other Remuneration of Director

-None –

Other Remuneration of Executives

-None –

7.4.2 Remuneration of Directors and Executives of the Subsidiary Company w

(1) Cash Remuneration

Remuneration of Directors

EIC Semi, Subsidiary Company pays the meeting allowance as follows:

Name	Position	Remuneration (Baht)
1 Mr. Withaya Chakphet	Director / Managing Director	-None-
2. Mrs. Tippawan Chakphet	Director	-None-
3. Mr. Luca Roveda	Director	-None-
Total		-None-

Remuneration of Executives

Total Cash Remuneration of first 4 Executive Director under the definition of SEC, which is in the total of 8 persons is Baht 6,208,414 including salary, bonus, and provident funds and other returns.

(2) Other Remuneration

Other Remuneration of Director

-None –

Other Remuneration of Executives

-None –

7.5 Personnel

The Company and its subsidiary have a total of 214 employees as of 31 December 2014. In 2014, the company paid remuneration to employees in the amount of Baht 51,847,604, which included salary, over-time payments, social security and provident funds, for instance, this amount is already include the remuneration for employees in subsidiary company in amount of Baht 44,336,273.

2014	The Company (EIC)	Subsidiary (EIC Semi)
Operations Personnel (persons)	3	119
Management Personnel (persons)	4	88
Total (persons)	7	207
Employee Remuneration (Baht)	7,511,331	44,336,273

8. Corporate Governance

8.1 Corporate Governance Policy

The Board of Directors realizes the importance of good corporate governance, in order to ensure transparency, increase the competitiveness of the business, increase the maximum value and return for shareholders in the long-term.

Thus, the Board of Directors has prepared its corporate governance policy, effective on 9 November 2005, and was revised in 2007 and most recently amended in 2012, in order for its standard to be in accordance with the principles of good corporate governance revised by the Stock Exchange of Thailand in 2012, comprised of principles and guidelines in 5 chapters:

- (1) Rights of Shareholders
- (2) Equitable Treatment of Shareholders
- (3) Roles of Stakeholders
- (4) Disclosure of Information and Transparency
- (5) Responsibility of the Board of Directors

Chapter 1 Rights of Shareholders

Rights and Equality of Shareholders

The Board of Directors respects the rights of shareholders and is responsible for protecting the interests of all shareholders equally, no matter whether the shareholder is a minority shareholder or a foreign shareholder, institutional investor or a majority shareholder. All shareholders have the same rights and are equal. Apart from this all shareholders receive the same rights as prescribed by the Company's Articles of Association and the law, such as

(1) Right to receive share certificates, transfer shares and right to regularly and timely receive information, the Company's performance and management policies.

(2) Right to receive a portion of profits equally.

(3) Right to attend shareholders' meetings, express opinions and make suggestions and jointly decide on important changes.

Shareholders' Meetings

The Company has a policy of holding shareholders' meetings in compliance with the law and the guidelines for holding shareholders' meetings issued by the agency responsible for monitoring listed companies, the Stock Exchange of Thailand.

At shareholders' meetings, all shareholders have equal rights in receiving information, expressing opinions and asking questions at the meeting, in accordance with the agenda and items proposed. The chairman of the meeting is responsible for allocating managing the meeting schedule and promoting the expression of opinions and questions at the meeting.

At all shareholders' meetings, it is also required that at least 1 Independent Director is

appointed as a proxy of shareholders who are unable to attend the meeting as indicated in the meeting invitation. The Board of Directors will not combine unrelated matters and propose this in one resolution and at all shareholders' meetings all directors have a duty to attend in order to respond to any questions asked.

Chapter 2 Equitable Treatment of Shareholders

All shareholders, including those who are in the management and those who are not, as well as foreign shareholders will be treated equitably and fairly. The Board of Directors will hold shareholders' meetings such that equitable treatment of shareholders is encouraged.

Use of Internal Information and Purchase or Sale of Securities

In using the Company's internal information, the Company requires those Directors and all Members of the Executive Committee to report any change in shareholding to the Office of the Securities and Exchange Commission, in accordance with section 59 of the Securities and Exchange Act B.E. 2535. It is prohibited for Directors, Executive Committee Members or other departments which receive the Company's internal information to disclose such information to external parties or unrelated parties, as well as purchase or sell the Company's securities within a period of 1 month before the disclosure of the financial statement to the public.

Conflicts of Interest and Connected Transactions

Persons who enter into transaction on behalf of the Company have a responsibility to verify the relation with the trading partner to determine whether the trading partner is related to a Director, Executive Committee Member or employee, before entering into the transaction, in order to prevent any conflicts of interest which may arise. The definition of relationship shall be in accordance with the criteria on the disclosure of information and other acts of listed companies concerning connected transactions.

Chapter 3 Role of Stakeholders

The Company realizes the rights of different stakeholders and has a policy of creating confidence by ranking the importance of stakeholders, including shareholders, employees, Executive Committee Members, customers, trading partners, creditors as well as the overall community. The Company will also encourage cooperation between stakeholders from different groups in accordance with their roles and responsibilities so that the Company's business has stability and responds to the benefits of all parties.

The Company has prepared its ethics code, which is a part of the compliance policy, intended to be a guideline and good practice manual for Directors, Executive Committee Members as well as employees of the Company to adhere to in conducting the business of the Company honestly and ethically.

Chapter 4 Disclosure of Information and Transparency

Roles and Responsibilities of the Board of Directors relating to the Disclosure of Information and Transparency

The Board of Directors is responsible for the sufficient, reliable, timely and accurate disclosure of information, both financial and non-financial, to allow shareholders and other stakeholders to have equal access to the information.

The Managing Director is the most appropriate person to be the spokesperson for the Company in communicating and disseminating useful information to shareholders, investors, securities analysts and other stakeholders.

The Company has a policy of disclosing important information to the public and moreover, the Company must disclose information as prescribed by the law or relevant regulations, as follows:

- (1) Objectives of the Company
- (2) Financial status and performance of the Company, shareholder structure and voting rights
- (3) Names of Directors, name of the various committees, Chairman of the Executive Board, the general manager and their remuneration
- (4) Governance structures and policies
- (5) Disclose information in the annual report regarding the number of meetings attended by directors and/or the attendance of each Director as well as a comparison of the attendance in previous years

Chapter 5 Responsibilities of the Board

The Board of Directors plays an important role in corporate governance for the best interest of the Company, and is accountable to shareholders and independent of the managements.

Structure of the Board

- The Board shall be composed of experts with a wide range of experience in various fields. There shall be sufficient directors to govern and supervise the corporation: not less than five (5) directors (as required by law) and not more than twelve (12) shall sit on the Board. At least one director shall be experienced in the area of semiconductor devices, and at least one director shall be experienced in the area of finance and accounting.
- The Board shall be representative of all shareholders, not of a particular group of shareholders.
- At least one-third of the Board and not less than three (3) persons must be independent directors. More than one-half of the Board must be nonexecutive directors in order to ensure a good balance between executive and non-executive members.
- The appointment of members of the Board shall comply with the Company's articles of association and all relevant laws in Thailand. Selection of the directors shall be transparent and clear, and processed through the Nomination Committee.
- Consideration shall be given to the educational and professional background of the candidates. Sufficient information shall be provided to the Board and all shareholders for decision making.
- A director's term of office is defined in the Company's articles of association.

Qualification of the Board

- A director must be capable and honest, display the utmost integrity, conduct the business ethically, and devote sufficient time to the Company in order to perform his or her duties professionally.
- A director must possess the necessary qualifications for his or her position, and not be disqualified in any way according to the Public Company Act BE 2535 or other related laws.
- A director can sit on the board of other companies, providing this does not interfere with the performance of his or her duties at the Company.

- Independent directors shall meet all the requirements outlined in the section titled Qualifications and Scope of Work in the Audit Committee's qualification guidelines, as specified in the Notifications of the Stock Exchange of Thailand. Independent directors have a duty to protect the interests of every shareholder in a fair and impartial manner in order to avoid any conflict of interests that may arise. They shall also attend the Board meetings and express their comments and opinions from an independent viewpoint.

Definition of Independent Directors

- Holding shares worth not more than 1 per cent of paid-up capital of the Company and related companies, including shares held by related persons
- Have no direct or indirect benefit from, or interest in, the finance and management of the Company and related companies during a period of two (2) years before his or her appointment as an independent director up until the present.
- Have no participation in the management of the Company and must not be an advisor who receives a regular salary from the Company or a person who has a control on the Company.
- Not be a related person in term of business, e.g., purchase/sell products or services, purchase/sell assets or offer/grant financial aids
- Have no relationship with a person who provides professional services to the Company, e.g., auditors, legal consultants or asset estimators.
- Have no relationship with executive officers, major shareholders and no benefit or interest with business of the Company.

8.2 Sub-Committee

The Board of Directors have organized 4 sub-committees to assist in the studying and assisting with of some of the Board of Directors' responsibilities to improve work efficiency of the Board. They are Audit Committee, Executive Committee, Nomination Committee and Remuneration Committee as follow:

8.2.1 Audit Committee

The Audit Committee is a part of the Board of Directors. The Committee is nominated from at least 3 Directors of the Company, one of whom must have knowledge on accounting/finance. The Audit Committee is comprised of Independent Directors, all having the qualifications regarding their independence in accordance with the Notifications of the Securities and Exchange Commission. The names of Audit Committee Members as of 31 December 2014 are as follows:

Name	Position in Audit Committee	Position in Other Committee
1. Mr. Somkad Sueptrakul	Chairman of Audit Committee	Vice-Chairman of the Board of Directors / Independent Director / Chairman of the Nomination / Remuneration Committee
2. Mrs. Krishna Jitpatima	Independent Director	Director / Independent Director/ Nominating Committee
3. Mr. Yuthana Phanumaphorn	Independent Director	Director / Independent Director

Mr. Somkad Sueptrakul has knowledge and experience regarding the law. Mrs. Krishna Jitpatima has experience as high-level management and advisor to director of finance company and Securities Company for 20 years with adequate expertise and experience to review creditability of the financial reports. Mr. Yuthana Phanumaphorn has knowledge and experience regarding the accounting system and has adequate expertise and experience to review creditability of the financial reports.

Roles and Responsibilities of the Audit Committee

(1) Review so that the Company reports correct and sufficient financial information, by coordinating with the auditors and responsible Executive Committee Members in the preparation of the financial statement, both quarterly and annually. The Audit Committee may also recommend that the auditors review any items that are seen as necessary and important during the audit.

(2) Review so that the Company has appropriate and effective internal auditing system and internal audit system by jointly reviewing as such with the auditor and/or internal auditor.

(3) Review so that the Company complies with laws relating to the securities and stock exchange, notifications of the stock exchange or other laws relevant to the business of the Company.

(4) Consider, select, propose and appoint in addition to proposing the audit fee, based on the credibility, sufficiency of resources and number of audits conducted by the auditor, as well as experience of personnel assigned to audit the Company.

(5) Consider, review and provide an opinion regarding any connected transactions entered into by the Company and its subsidiaries, for compliance with the notifications, regulations and guidelines of the Stock Exchange of Thailand.

(6) Review the Company's risk management system.

(7) Prepare the audit committee report for disclosure in the Company's annual report as well as provide an opinion on the preparation process and disclosure of information in the financial statement regarding the accuracy and reliability and an opinion regarding the sufficiency of the Company's internal auditing system. The Chairman of the Audit Committee must jointly provide an opinion on the appointment, dismissal and fixing of remuneration for the internal auditors.

(8) Jointly provide an opinion on the performance, appointment, dismissal and remuneration of the internal auditors. In doing so the Audit Committee may invite the relevant operations team, the Executive Committee Members or Company employees to provide their comments, attend meetings or submit relevant documents.

(9) Consider inspecting and providing opinions on commercial transactions between the Company and its distributors every quarter, in terms of the reasonableness of the price and other conditions.

(10) To prepare the Audit Committee's opinion on sales through distributors during the year for disclosure in the Company's annual report.

8.2.2 Executive Committee

The Executive Committee is a sub-committee of the Board of Directors, nominated by the Board of Directors of the Company, comprising of 4 directors. As of 31 December 2014, the Executive Committee was comprised of:

Name	Position in Executive Committee	Position in Other Committee
1. -*	Chairman of Executive Director *	
2. Mr. Withaya Chakphet	Executive Committee	Director / Nomination Committee / Remuneration Committee
3. Mrs. Tippawan Chakphet	Executive Committee	Director
4. Mr. Luca Roveda	Executive Committee	-None-

Remark * Mr. Bee Taechaubol was appointed Chairman of Executive Director on 27 February 2015 to replace Mr. Patiparn Karnjanaviroje, who resigned on 24 November 2014.

Roles and Responsibilities of the Executive Committee

(1) To determine and establish that the policies, the directions, strategies, and management structure are in line and compliant with the economics and competitive status as disclosed to the shareholders, and to further submit to the Board of Directors for approval.

(2) To determine and establish the business plan, budget and management authority of the company for the Board of Directors' consideration and approval.

(3) To review, follow up, and incorporate the policies and guidelines of the company's management ensuring efficiency and effectiveness for the business.

(4) To review and follow up the company's performance according to the business plan.

(5) To conduct a preliminary review of the investment projects before submission to the Board of Directors for consideration and approval.

(6) To occasionally handle other matters assigned by the Board of Directors.

8.2.3 Nomination Committee

The Nomination Committee is a sub-committee of the Board of Directors, nominated by the Board of Directors of the Company, comprising of 3 directors. As of 31 December 2014, the Nomination Committee was comprised of:

Name*	Position in Nomination Committee	Position in Other Committee
1. Mr. Somkad Sueptrakul	Chairman of the Nomination Committee	Vice-Chairman of the Board of Directors / Chairman of the Audit Committee / Independent Director/ Remuneration Committee
2. Mrs. Krishna Jitpatima	Nomination Committee	Director / Audit Committee / Independent Director
3. Mr. Withaya Chakphet	Nomination Committee	Director / Executive Committee / Remuneration Committee

Remark * The Board of Directors' meeting no. 1/2015 held on 27 February 2015 has resolved to combine the Nomination Committee and the Remuneration Committee into one committee consisting of the following members:

- 1) Mr. Somkad Sueptrakul Chairman of the Nomination and Remuneration Committee
- 2) Mrs. Krishna Jitpatima Nomination and Remuneration Committee
- 3) Mr. Withaya Chakphet Nomination and Remuneration Committee

Roles and Responsibilities of the Nomination Committee

(1) To select appropriate persons to the candidates for Directors, Managing Director and Executive Committee Members.

(2) To set the method and criteria for the nomination of Directors, managing director, Executive Committee Members in order to create transparency.

The Nomination Committee has set the method and criteria for the appointment of persons as Directors as follows:

(1) The Nomination Committee sets the qualifications of the replacement Director to have conditions and qualifications as prescribed by relevant law and regulations and also set the method for proposing names of candidates who have the required qualifications

(2) The Nomination Committee summarizes the results of the nomination and proposes the name of the most suitable persons to the Board of Directors along with supporting reasons.

(3) The Board of Directors considers persons with the required qualifications in accordance with the list proposed by the Nomination Committee to consider appoint such persons as Directors or propose the names to the shareholders' meeting for approval.

8.2.4 Remuneration Committee

The Remuneration Committee is a sub-committee of the Board of Directors, nominated by the Board of Directors of the Company, comprising of 3 directors. As of 31 December 2014, the Remuneration Committee was comprised of:

Name*	Position in Remuneration Committee	Position in Other Committee
1. None*	Chairman of the Remuneration Committee	
2. Mr. Somkad Sueptrakul	Remuneration Committee	Vice-Chairman of the Board of Directors / Chairman of Audit Committee / Independent Director / Chairman of the Nomination Committee
3. Mr. Withaya Chakphet	Remuneration Committee	Director / Executive Committee / Nominating Committee

Remark * Mr. Tawich Pimpapan, Chairman of the Remuneration Committee, resigned on 22 September 2014.

** The Board of Directors' meeting no. 1/2015 held on 27 February 2015 has resolved to combine the Nomination Committee and the Remuneration Committee into one committee consisting of the following members:

- 1) Mr. Somkad Sueptrakul Chairman of the Nomination and Remuneration Committee
- 2) Mrs. Krishna Jitpatima Nomination and Remuneration Committee

3) Mr. Withaya Chakphet Nomination and Remuneration Committee

Roles and Responsibilities of the Remuneration Committee

(1) To consider guidelines on the fixing of remuneration to Directors and Executive Committee Members

(2) To set the method and criteria for fixing fair and reasonable remuneration to Directors and propose this to the Board of Directors or the shareholders' meeting for consideration and approval.

8.3 Nomination and appointment of Directors and Top Executive

The nomination of directors, independent directors and top executive must be processed by the Nomination Committee. The Committee will consider and nominate directors from his/her qualifications under Section 68 of the Public Company Act B.E. 2535 and qualifications under the relevant notifications of the Stock Exchange of Thailand. Apart from that, experience, knowledge and competence are also considered. Later on, the Committee will present the list of candidates to the board of directors meeting and the shareholders' meeting for consideration and approval as Directors.

8.3.1 Independent Directors

Independent Directors must have qualification as specified by the board of directors and in accordance with the rules prescribed under the Notification of the Capital Market Supervisory Board

At 31 December 2014, the Company had 3 Independent Directors, which more than one-third of total 7 directors. During these 2 years, all Independent Directors has no relation in business or professional service with the Company. The Independent Directors are:

Name	Position in Other Committee
1. Mr. Somkad Sueptrakul	Vice-Chairman of the Board of Directors/ Chairman of the Audit Committee/ Chairman of the Nomination / Remuneration Committee
2. Mrs. Krishna Jitpatima	Director / Audit Committee / Nominating Committee
3. Mr.Yutthana Phanumaphorn	Director / Audit Committee

8.3.2 Nomination of Directors and Top Executive**(1) Nomination of Directors**

The nomination of directors must be processed by the Nomination Committee. The Committee will consider and nominate directors from his/her qualifications under Section 68 of the Public Company Act B.E. 2535 and qualifications under the relevant notifications of the Stock Exchange of Thailand. Apart from that, experience, knowledge and competence are also considered. Later on, the Committee will present the list of candidates to the shareholders' meeting for consideration and approval as Directors

Appointment and Dismissal of Company Directors are as follows:

(1.1) According to Articles of Associations of the Company, Directors of the Company must be appointed by shareholders' meeting, consisting of no less than 5 persons and according to principle of good governance of the Stock Exchange Thailand, there should be no less than 3 Independent Directors and at least 1 Director who has knowledge in accounting and finance.

(1.2) Allow the shareholders' meetings to appoint qualified directors who have previously been nominated by the Nomination Committee under the following criteria:

- (a) Each shareholder has one vote per share held.
- (b) Each shareholder exercises all votes applicable under (1) in electing one or more persons as Directors but cannot allocate only part of the votes to any candidate.

(1.3) At every Annual General Meeting, one third of the Directors, or if this number is not a multiple of three, then the number nearest to one-third, must retire. The names of the Directors to retire during the first and second year are to be drawn by lots. For subsequent years, those with the longest term must retire.

(1.4) If a post is vacated because of reasons other than rotation, the Board of Directors may elect a person who is qualified and not prohibited according to the Company's regulations to fill the post at the next Board of Directors' meeting, except when the vacated direct position has less than two months left. A new director must remain in office for only as long as the remaining term.

The method and criteria for the appointment of persons as Directors as follows:

(1) The Nomination Committee sets the qualifications of the replacement Director to have conditions and qualifications as prescribed by relevant law and regulations and also set the method for proposing names of candidates who have the required qualifications

(2) The Nomination Committee summarizes the results of the nomination and proposes the name of the most suitable persons to the Board of Directors along with supporting reasons.

(3) The Board of Directors considers persons with the required qualifications in accordance with the list proposed by the Nomination Committee to consider appoint such persons as Directors or propose the names to the shareholders' meeting for approval.

(2) Nomination of Top Executive

The nomination of top executive as managing director must be processed by the Nomination Committee. The Committee will consider and nominate by the same process as nomination of directors. The Committee will consider from his/her qualifications including experience, knowledge and competence for the benefit of the Company. Later on, the Committee will present the list of candidates to the board of directors' meeting for consideration and approval.

8.4 Corporate Governance of subsidiary and affiliate

(1) Governing operation

The Company has procedures to govern its subsidiary in order to protect interests to comply with the regulation of the SEC as follows:

The Company appoints representative directors and members of management to serve on the boards of its subsidiary and affiliate companies, since 2013, by the approval of the Board of Directors of the Company. The representative directors have responsibilities to manage in the best interests of the subsidiary and affiliate (not the Company). They must obtain the approval of the Board of Directors of the Company before voting on significant issues that shall get approval from the Board of Directors in case they are issues of the Company. The representative directors of subsidiary and affiliate companies are assigned in proportion to the Company's shareholding.

In addition, for the subsidiary, the Company assigns the representative directors to conduct the subsidiary compliance with the rules and regulation regarding related party transaction, acquisition and disposition of assets, and adequate and timely disclosure of information. This also includes maintaining proper accounting records and preparing financial reports in accordance with all applicable laws and generally accepted accounting principles.

As at 31 December 2014 the Company had one subsidiary, EIC Semiconductors Co Ltd of which it holds a 99.99% shareholding. The Company has control over the operations of this subsidiary through its managing director, Mr. Withaya Chakphet, who is also on the executive committee of the Company.

(2) Agreements between shareholders regarding management of subsidiary and affiliate

- None -

8.5 Monitoring Usage of Internal Information

It is Company policy to monitor the usage of internal information. The Board of Directors has established a written corporate governance policy, which summarizes policies to monitor the usage of internal information as follows:

(1) In using internal information, the Company specifies that all Directors and Executives report any change in the securities held by them to the Securities and Exchange Commission in accordance with section 59 of the Securities and Exchange Act B.E. 2535 within 3 working days from the purchase, sale, transfer or receipt of the securities. Then inform the Company's secretary at the same day as report to SEC. The Company Secretary reports every change in the Company's securities held by directors and management at the board meeting by quarterly. In addition, penalty on any breach of the policy on holding and trading the Company's securities has been informed.

(2) It is prohibited for Directors and Executives or departments which receive internal information to disclose such information to persons outside the Company or persons who are not involved. Further, they must not purchase or sell the Company's securities within 1 month before the Company's financial statements are disclosed to the public. The usage of internal information for the benefit in trading securities is considered breaching the business ethics of the Company. Any disclosures that impact the Company's business and trading price must be approved by Managing Director. Managing Director authorizes to act or assign any person as reporter of such information.

8.6 Audit Fee

In compliance with the public company act B.E. 2535, the appointment of the Company's external auditor must be approved by the annual general meeting of shareholders along with the audit fees. The Audit Committee will consider prospective auditors and their fees beforehand, and submit its recommendation to the Board of Directors for proposal to the shareholders.

The selected audit firm and auditor must be independent and have no conflict of interest with the Company or its management, the major shareholders or any related person.

(1) Audit Fee

The Company and its subsidiary paid audit fees to RSM Audit Services (Thailand) Co., Ltd. (audit firm of the auditor, related parties of auditor and RSM Audit Services (Thailand) Co., Ltd.) for the year 2014 as below.

Company	Audit Firm	Audit Fee (Baht)
EIC Pcl.	RSM Audit Services (Thailand) Co., Ltd.	815,000
EIC Semiconductors Co., Ltd.	RSM Audit Services (Thailand) Co., Ltd.	880,000
Total audit fees		1,695,000

(2) Non-audit Fee

- None -

8.7 Good Corporate Governance

The Board of Directors realizes the importance of conducting business by adhering to the principles of good corporate governance for listed companies as announced by the Stock Exchange of Thailand, governance policies and business ethics. The Board of Directors is confident that the Company can achieve its target and steadily grow as well as build confidence for shareholders and all stakeholders. The Board of Directors prepared a written corporate governance policy since 2005 and was revised in 2008 to coincide with the principles of good corporate governance for listed companies as announced by the stock exchange and guidelines on the preparation of policies on good corporate governance by the Thai Institute of Directors. The Board of Directors and the Executive Committee are determined in performing their duties while adhering to the 5 principles of good corporate governance, namely:

- (1) Accountability
- (2) Transparency
- (3) Equitable Treatment
- (4) Long-Term Value-Added Creation to Stakeholders
- (5) Promotion of Best Practices

As well as adhere to the Company's business ethics and use them to conduct business transparently and in accordance with the principles of good corporate governance. The Company has complied with the principles of good corporate governance as announced by the Stock Exchange of Thailand as follows:

Chapter 1 Shareholders' Rights

At the Annual General Meeting for the year 2014, held on 25 April 2014, the Board of Directors prioritized and respected the rights of shareholders, in compliance with principles, as follows:

Prior to the Annual General Meeting for the year 2014

- (1) The Company asked shareholders for agendas for consideration and director nominations through its website from 1 November 2013 to 31 January 2014
- (2) Consideration of the agendas to be considered at the Annual General Meeting commenced from March 2014. The agendas were proposed to the Managing Director and Chairman of the Board of Directors for consideration, prior to proposing this to the Board of Directors for approval of the agendas and supporting documents for the meeting, including the meeting invitation
- (3) The Company sent the invitation to the meeting specifying the date, time and venue of the meeting together with

- (3.1) Map of the venue of the meeting
- (3.2) Details of each agenda
- (3.3) Annual Report
- (3.4) Proxy forms which allow shareholders to fix their votes for each agenda, i.e. approve, disapprove or abstain. Further shareholders were also allowed to vote for each candidate for directorship separately.
- (3.5) Information on Independent Directors, in order for shareholders to use such information where shareholders wished to nominate the Independent Directors as their proxy
- (3.6) Explanations on documents and evidence required to be presented in order to attend the meeting, detailing the requirements for different circumstances for shareholders.
- (3.7) The Articles of Association of the Company relevant to shareholders' meetings.

(4) For the convenience of shareholders in studying information for their decision making, the Company ensured that sufficient information was disclosed for every agenda as prescribed by the law and guidelines of set by the Securities and Exchange Commission

(5) The Company assigned the Thailand Securities Depository Co., Ltd to be the Company's registrar, to send out invitations to the meeting to all shareholders more than 7 days prior to the meeting

(6) The Company announced the summoning of its Annual General Meeting in a newspaper for 3 consecutive days and no less than 3 days prior to the meeting

(7) The Company announced the invitation at its website in both Thai and English

On the date of the Annual General Meeting for the year 2014

(1) The Company held its Annual General Meeting for the year 2014 on 25 April 2014, at 2.00 p.m. at Kanyalak Room, 3rd floor, Four Wings Hotel, Soi Sukhumvit 26, Klong Toey, Bangkok, which was a time and venue convenient for shareholders. The Company arranged for personnel to sufficiently facilitate the verification of documents of all shareholders attending the meeting and also arranged for stamp duty for the convenience of shareholders whom nominated proxies to attend the meeting.

(2) The Company arranged independent lawyers (Mr. Nitat Wattanakul, The Unified Counsel Ltd.) to assist with the verification of documents used to attend the meeting and voting process during the meeting

(3) The Company has 7 Directors and 6 Directors attended the meeting, the names of which appear in minutes of the meeting announced on the Company's website. Apart from this, there were also other persons who attended the meeting, namely below,

- 1. Mr. Luca Roveda - General Manager
- 2. Mr. Teepat Sutrabutra - Candidate as the Company director

3. Ms. Somjintana Pholhirunrat - Auditor from DIA International Audit Co., Ltd.

4. Mr. Nitat Wattanakul - Legal Advisor, the Unified Counsel Ltd., as the witness in checking the vote-counts.

(4) The total number of shareholders who attended the meeting are 6 shareholders attending in person and 20 by proxy holders making an attendance in aggregate of 26 shareholders holding a total of 207,615,000 shares, constituting 51.91% of the total sold shares of the Company, which exceeds one third of the total shares (the Company has a total of 400,000,000 shares) thereby forming the quorum pursuant to the Company's Articles of Association.

(5) Before commencing the meeting, the Chairman explained important information to shareholders in relation to the voting for each agenda and voting procedure for the mutual understanding of all parties as follows:

(5.1) Each shareholder has vote equivalent to the number of shares he or she holds.

(5.2) For each item agenda, the Chairman will ask shareholders whether there is anyone who "disapproves" "abstains" or "approves" from voting on that voting agenda.

(5.3) In the event that no shareholders or proxies vote for "disapprove" or "abstain" (except for the votes which must be abstained due to conflicts of interest), it can be considered that the meeting "unanimously approved" the agenda.

(5.4) If there are shareholders or proxies who "disapprove" or "abstain", such shareholders must place their vote on the ballots issued by the Company's officers and should raise their hands to have officers collect their ballots for checking/counting. The Company will deduct the votes cast for "disapprove" and "abstain" out of the entire votes and then to have the remaining ballots construed as votes of "approve" for the agenda. If the votes cast for "approve" of each agenda are more than other votes in accordance with the law, it can be considered that the meeting "approved" the agenda.

(5.5) In questioning or providing opinions on any agenda, shareholders should state their names and surname for the purpose of recording into the minutes of the meeting.

(6) The Chairman of the meeting conducted the meeting in accordance with the Company's Articles of Association and agenda stated in the invitation to the meeting, which had already been sent to shareholders. There was no other agenda considered which was not stated in the invitation to the meeting.

(7) The Company arranged for voting ballots to be issued to all attendants, in particular for shareholders who disapprove or abstain in any agenda. The Company has separated important agendas from each other so that shareholders may independently vote on each agenda. For example, in relation to the appointment of Directors, the Company allowed shareholders to vote for each candidate separately.

(8) During the meeting, the Board of Directors allowed shareholder who attended the meeting to question and inquire the Board of Directors. The details of the questions and inquiries can be found in the minutes of the meeting announced on www.eicasia.net

After the Annual General Meeting for the year 2014

(1) After the meeting was adjourned, the Company notified the public of the resolutions of shareholders through the Stock Exchange of Thailand's Electronic Listed Company Information Disclosure system within the next day containing the results of the resolution (approve/disapprove) and the results of the voting (approve/disapprove/abstain) for each agenda.

(2) The Company submitted its minutes, containing the details of Directors and Executives who attended the meeting, the resolutions obtained and questions raised during the meeting to the Stock Exchange of Thailand within 14 days from the date of the meeting. Additionally, the Thai and English versions of the minutes of the meeting were posted on the Company's website.

Chapter 2 Equitable Treatment of Shareholders

The Company places importance on the equitable and equal treatment of all shareholders and implemented the following:

(1) Proposals of additional agendas to the meeting and nomination of candidates for directorship. It is Company policy to facilitate shareholders in proposing additional agendas in advance as well as the nomination of candidates for directorship before the date of the Shareholder's meeting. The Company has clear criteria which were disclosed through the Stock Exchange of Thailand and the Company's website. Shareholders were provided with the opportunity to propose additional agendas and candidates for directorship for a period of 1 month (1 November 2013 until 31 January 2014). The criteria is that a shareholder or shareholders holding no less than 1 percent of the total shares can propose additional agendas and candidates for directorship. This ratio was set to facilitate shareholders even more than that prescribed by the law, which states that a shareholder or shareholders holding no less than 5 percent of the total shares. For this meeting, no shareholders proposed any additional agendas or names of candidates for directorship.

(2) Nominating Proxies to Attend the Meetings. Where a shareholder is unable to attend the meeting, the Company provides the shareholder with the opportunity to proxy another person or an independent director to attend the meeting on the shareholders' behalf. The Company has sent proxy nomination forms, clearly specified the documents required for the proxy to attend the meeting as well as the procedure for nominating a proxy.

Chapter 3 Roles of Stakeholders

1. Treatment of Different Stakeholders

The Company contacts all groups of stakeholders namely shareholders, customers, stakeholders, creditors, competitors, employees, our community and environment. The guidelines for this are written in the Company's corporate governance policy and business ethics, which has been disclosed thorough the Company's website. In conducting its business, the Company respects the rights of stakeholders as follows:

1.1 Shareholders

The Company performs its obligations to shareholders with honesty, in good faith, fairly, managing the Company for growth, stability and to generate appropriate returns for shareholders. There is constant, equal and complete disclosure of information to shareholders. Apart from this, the Company provides the opportunity for shareholders to express their opinions, suggestions as well as propose additional agendas and nominate candidates for directorship at shareholders' meetings.

1.2 Customers

(1) The Company takes interest in and is responsible to its customers, treats all customers equally and fairly. Moreover, the Company is determined to build customer satisfaction and confidence so that customers receive quality services

(2) The Company conducts its business in accordance with international standards, on time, and with the highest safety standards, receiving ISO 9001, ISO 14001 and ISO 16949 certification.

(3) The Company has organized activities to promote good relationships outside the Company, for example, the White Factory Project.

1.3 Trading Partners

The Company complies with the contractual obligations owed to trading partners, treats all trading partners equally, fairly and on the basis of fair and mutual benefits for both parties. The Company does not request, receive or provide any benefits which are not honest to trading partners.

1.4 Creditors

The Company complies with the contractual obligations with creditors and provides sufficient and accurate financial information. The Company does not request, receive or provide any benefits which are dishonest to creditors.

1.5 Competitors

The Company operate within the framework of good competition, does not seek confidential information regarding competitors by dishonest or inappropriate channels. The Company does not damage the reputation of competitors by making negative claims with no supporting evidence.

1.6 Employees

All of the Company's employees are important in the operation of the business, therefore, the company places great importance on its employees and provides them with appropriate remuneration and benefits, as well as encouraging the involvement of employees as follows:

(1) The Company has a policy regarding social and employment responsibility in order to encourage employees' rights to be respected and protected in accordance with labor laws

(2) The Company has prescribed practices relating to employee remuneration and benefits.

(3) The Company provides appropriate remuneration and benefits, namely salary, bonuses, provident funds as well as life, accident and health insurance, for employees.

(4) The Company organizes orientation and training regarding business ethics, company values, safety and the quality system, in addition to initial knowledge necessary for the performance of duties to new employees before going to their respective departments for on the job training.

(5) The Company organizes the promotion of good relationships within the organization, such as New Year's party, and the Company's annual merit making event.

(6) The Company assists employees where they faced the flooding crisis, for example, facilitated the location in performing work, allowing employees in certain positions to work from home, looking after employee's transportation and homes, providing assistance funds and interest free loans, for example.

1.7 Social and Community

Activities related to the development of the community, namely the White Factory project, the joint project between the Company and the Faculty of Engineering, King Mongkut's Institute of Technology Ladkrabang in the development of semiconductor personnel, for instance.

2. Safety, Occupational Health and Working Environment

The Company places great importance on safety, occupational health and the working environment and has set safety, occupational health and working environment policies. Further, the Company has established a Safety, Occupational Health and Working Environment Committee as follows:

- (1) To strictly comply with laws and environmental standard requirements
- (2) To promote and develop production design, to select raw materials which are environmentally friendly, containing no dangerous or prohibited substances in accordance with the law or international manufacturing control standards.
- (3) To save costs and control the usage of natural resources such as water, paper and electricity
- (4) To control and reduce the generation of waste in all activities related to the Company's operations, for example:
 - (4.1) The production of products does not generate waste in the process and does not create water or air pollution
 - (4.2) To promote and develop the Company's personnel or persons related to the operations of the Company to have appropriate and consistent knowledge about and realize the value of the environment.
- (5) To organize activities relating to safety, occupational health and the working environment such as, organizing the annual health checkup, organizing the Big Cleaning Day, organizing training on different courses such as courses on occupational health and working environment, basic firefighting and fire evacuation courses as well as procure personal preventive equipment as examples.

3. Efficient Use of Resources and Environmental Management

The Company encourages efficient use of resources and for the maximum benefit while also considering the environmental impact and has monitored the impact and set measures to prevent and mitigate such impacts systematically. The Company has set policies for power conservation and established a working committee to manage power in accordance with its power conservation policy.

4. Respect for Human Rights

The Company requires that all Directors, Executives and employees of the Company and the subsidiary comply with business ethics in relation to respect for human rights, for example:

- Adhere to democracy and encourage employees to exercise their voting rights in accordance with the Constitution
- Treat employees on the basis of human dignity and respect personal rights.
- Encourage and respect the protection of human rights by monitoring so that the Company does not become involved with any violation of human rights, for example, the Company does not support forced labor and is against using child labor
- Encourage monitoring compliance with human rights in the organization and stimulate compliance with principals of human rights accordance with international standard

In the past, there has never been a report or complaint relating to violations of human rights against the Company.

5. Intellectual Property or Copyright

The Company requires that all Directors, Executives and employees comply with business ethics in relation to intellectual property as follows:

(1) To protect the Company's intellectual property and avoid violating the intellectual property of third parties.

(2) To comply with all laws, regulations and contractual obligations relating to intellectual property rights of other persons, including patents, copyright, trade secrets and other proprietary information.

(3) To not violate or use the intellectual property rights of other persons in a wrongful way.

(4) Where there is any copyright or other intellectual property created by employees when performing their duties, the copyright or intellectual property will belong to the Company.

In the past, there has been no report or complaint relating to a violation of intellectual property against the Company

6. Anti-bribery and Corruption

The Company requires that all Directors, Executives and employees comply with business ethics in relation to anti-bribery and corruption as follows:

(1) Not to engage in any forms of offering consideration, bribes, requesting, agreeing or accepting bribes from others regardless of whether directly or indirectly, to provide a benefit or with the expectation of a mutual benefit that relates to the business of the Company.

(2) Not to engage in unlawful acts relating to government officials, other persons or other departments, whether directly or indirectly.

(3) Not to make donations or make payment for facilitation or support payments to others or government officials as a channel for bribery.

(4) Not to support cash or other benefits payments, whether directly or indirectly to political parties or persons related to political parties for the purpose of obtaining a benefit in the business of the Company or for himself or allies.

In the past, there has been no report or complaint relating to a bribery or corruption.

Chapter 4 Disclosure of Information and Transparency

The Company realizes the importance of disclosure of information regarding the Company, including financial information and non-financial information in an accurate, complete, timely and transparent manner, through the different channels as follows:

- (1) The Stock Exchange of Thailand's Electronic Listed Companies Information Disclosure system and the S.E.C's website
- (2) The Company's website which supports both Thai and English
- (3) Providing information to analysts and investors who come to visit and talk to the Company's Executives
- (4) The delivery of documents to shareholders via post

The Company discloses information in accordance with the requirements of the SEC and the Stock Exchange of Thailand.

The Company has a channel for stakeholders to send complaints or suggestions to the Company's email: www.eicasia.net or contact with the Company's Secretary at email: korbsakao@eicasia.net Tel. 02-651-4050 ext. 105 Fax. 02-651-4051 or post at:

Electronics Industry Public Company Limited

Kian Gwan House 3, 9th Floor

No. 152 Wireless Road, Lumpini Sub District, Pathumwan District

Bangkok 10330

The Company has never been ordered to amend its financial statements by the Securities and Exchange Commission and has always disclosed the annual and quarterly financial statements to shareholders and investors within the specified timeframe.

Chapter 5 Responsibilities of the Board

1. Structure of the Board

- (1) Currently, the Board of Directors consists of 7 Directors as follows:
 - 4 Directors whom are also part of the Executive Committee
 - 3 non-executive Directors who are independent Directors constituting more than one third of the total number of Directors
- (2) The Company has clearly separated and defined in written the power and authorities among the Board of Directors and the managements.
- (3) Each director serves not more than five boards of listed firms
- (4) The Company has a Company Secretary to take care of the directors' activities, and coordinate in informing related persons to comply with the Board of Directors' resolutions.

2. The Board of Directors' Meeting

- The Company has set the Board of Directors' meeting schedule in advance and informs each director for acknowledgement so that the director can allocate the time and attend the meetings. The Board of Directors shall held at least 6 regular meetings in a year, which is suitable with the responsibility of the directors and the Company' business nature, and may held a special meeting if necessary. The Chairman of the Board of Directors and Managing Director shall consider the agenda together and each director can independently propose matter for agenda.
- The Company sends meeting invitation letters together with meeting document to the directors at least 5 days prior to the meeting date. As such the directors would have time to study the document before attending the meeting.
- In 2014, there were 16 meetings. The details of attendance of each director are shown in item 8.1

9. Corporate Social Responsibility : CSR

9.1 Overall Policy

The Board of Directors has a policy in conducting business with responsibility to the community, environment and stakeholders and the policy of managing the manufacturing process to be friendly to the environment and the community. The methods used are preventative, namely:

- Complying with laws, regulations, environmental requirements and other relevant requirements as well as comply with the relevant standards in solving, prevent and monitoring environmental impacts to be in line with the relevant laws.
- To use international environment management standards to monitor environmental management and review in accordance with ISO 14001 environmental management standards, by reviewing every 6 months.

9.2 Operations and Preparation of Reports

Activities and businesses for sustainable development and preservation of the quality of the environment are as follows:

(1) Controlling, reviewing and evaluating hygiene industry

To ensure that the Company's operations do not annoy the community in accordance with the Notification of the National Environment Board and that it is safe for persons who work inside the factory in accordance with the Notification of the Ministry of Interior. The Company designed the premises by regularly measuring light, sound, heat, chemicals, and impurities in the air to be better than the standards on safety in the workplace relating to the working environment to control the environment to be in a safe condition.

(2) Becoming a green industry

EIC's products are environmentally friendly products in accordance with RoHS international standard and does not use any prohibited raw materials under Directive 2011/65/EU and Packing and Packaging Waste, Directive 94/62/EC

(3) Using environmentally friendly technology in the manufacturing process

The Company is the designer, manufacturer and seller of semiconductors (silicon wafers diodes and transistors) of high quality and has been widely accepted in term of quality by manufacturers in different industries around the world. The Company researches and develops the process for manufacturing products from wafer fabrication to diode assembly.

(4) Wafer fabrication Process

The Company's diode manufacturing process starts with Si-wafers or wafers crystalized by the Czochralski method, as the raw material. After this the wafers will be cut and polished into a circular shape, with a thickness of approximately 250-350 microns.

The above process for fabricating wafers starts by creating a PN-Junction on the wafer to create the semiconductor by diffusing substances at high temperatures. Subsequently designs are made to be further assembled into diodes or discrete semiconductor devices.

The Company has processes for the wafers process as follows

- 1) Open-junction
- 2) Oxide passivized package: OPP and
- 3) Glass passivized package: GPP, in which the electrode is made from pre gold. The next step therefore is to cut the wafers into chips and send them into the assembly process which will connect the chip to the external electrode (Soldering) assemble the case of the chip (Molding).

The diode assembly process, which uses Dice/Chip with closed junctions, is different from the diode assembly process, which uses dice/chips with oxide passivized packages as the diode assembly process usually uses dice/chip with open-junction, which must be etched and afterwards must be heated in an oven at 210 degrees Celsius for 3 hours. However, for the Company's diode assembly process the majority of times dice/chips with oxide-passivized packages will be used, which is an innovation in which the Company developed the assembly process to be environmentally friendly and the products do not require etching. This means that after soldering, the diodes can be heated at 60 degrees Celsius and only requires 1 hour in the oven.

(5) Reduction of Chemical Usage in the Production Process

The Company is committed to develop a manufacturing process which is environmentally friendly by continuously developing processes which reduce the use of chemicals, whilst maintaining the quality of products and increasing output.

9.3 Businesses which Impact the Community

- None -

9.4 Social and Environmental Activities (After Process)

The Board of Directors has a policy of good governance together with business ethics for the operation of the Company and its subsidiary. The business should be conducted with responsibility to the community, environment and stakeholders regarding the environment-friendly, saving and controlling of natural resources, not generating waste from manufacturing process and not creating water or air pollution.

In 2014, the Company had activities for social and environment as follows:

Activities for Corporate Social Responsibilities:

1. The Company collaborated with staff and joined blood donation to give a royal charity to the King of Thailand on Thursday 18 December 2014
2. The Company joined the New Year event of giving food to the monks with Ladkrabang IEAT on Monday 15 December 2014
3. The Company joined the project of giving lent candle with Ladkrabang IEAT on Thursday 10 July 2014.
4. The Company supported Ubon Ratchathani University and Walailak University by internship program.

9.5 Protection of Corruption

The Board of Directors conducts business transparently by adhering to the principles of good corporate governance and business ethics. The Company requires that all Directors, Executives and employees comply with business ethics in relation to anti-bribery and corruption as follows:

(1) Not to engage in any forms of offering consideration, bribes, requesting, agreeing or accepting bribes from others regardless of whether directly or indirectly, to provide a benefit or with the expectation of a mutual benefit that relates to the business of the Company.

(2) Not to engage in unlawful acts relating to government officials, other persons or other departments, whether directly or indirectly.

(3) Not to make donations or make payment for facilitation or support payments to others or government officials as a channel for bribery.

(4) Not to support cash or other benefits payments, whether directly or indirectly to political parties or persons related to political parties for the purpose of obtaining a benefit in the business of the Company or for himself or allies.

In the past, there has been no report or complaint relating to a bribery or corruption.

10. Internal Control and Risk Management

10.1 Opinion of the Board of Directors on the Company's internal control system

The Board of Directors' meeting No. 2/2015 held on 30 March 2015, of which 3 independent directors who are on the Audit Committee were in attendance, evaluated the internal control system of the Company by discussion with the management and considered the evaluation form of the adequacy of the internal control system prepared by management and consideration of the Audit Committee's report. The Audit Committee's report evaluated the internal controls in 5 components of Control Environment, Risk Assessment, Control Activities, Information and Communication and Monitoring Activities, then, concluded that the internal control systems are sufficient. The Company had sufficient staff to comply with the internal control systems efficiently and had sufficient internal control systems for monitoring the operation of its subsidiary to protect the assets of the Company and its subsidiary from unauthorized usage of directors or management including entering into transactions with conflicts of interest and related parties. The Board of Directors' is of the opinion that the internal control systems are sufficient.

10.2 Opinion of the Audit Committee

Opinion of the Audit Committee does not no different from opinion the Board of Directors.

10.3 Head of Internal Audit and Head of Compliance

The Audit Committee meeting No. 1/2015 held on 27 February 2015 appointed Mr. Kosol Yamleemoon of Unique Advisor Co., Ltd. as Internal Auditor of the Company for the year 2014. He has experience on internal auditing and external auditing more than 20 years in various areas such as financing, property, construction, energy, jewelry, communication, service, trading, insurance, shipping, food and understands the Company's business. The Audit Committee considered he can act as Internal Auditor of the Company properly.

Due to the Head of Internal Audit department and Head of Compliance department resigned during 2014, Audit Committee considered to appoint Internal Auditor by outsources.

The Head of Internal Audit has to be considered, appointed, and dismissed by approval of the Audit Committee.

11. Connected Transactions

11.1 Transactions with parties that may cause conflict of interests

Name of Related Parties	Relationship	Description	Amount of 2014 (Million Baht)	Necessity and Reason of Transaction
Smart Traffic Co., Ltd.	EIC holds 30.02% of paid-up capital	Share profit from investment in project Other receivable EIC jointly invested in the project with Smart Traffic Co., Ltd. for improvement and expansion of automatic pay-toll system for the Expressway Authority of Thailand totaling Baht 7.38 million. The Company recognized the project's profit on a proportion basis in 2014 for Baht 1.92 million.	1.92 Investment amount at year end 9.29	The project of improvement and expansion of automatic pay-toll system for the Expressway Authority of Thailand has potential to create profit to the Company. In addition, the customer is the government unit which reduces risk on debt collection. The Company had already disclosed this transaction through the SET. The Audit Committee had no different opinion from the Board of Directors.
Unitop Rubber Co., Ltd.	Mr. Withaya Chakphet and Mrs. Tippawan Chakphet is directors of EIC and subsidiary are directors and shareholders of Unitop Rubber Co., Ltd. at 28% and 20% of paid-up capital, respectively. They are also directors and shareholders of KTF Holding Co., Ltd.	Rental Income EIC (Lessor) agreed to let Unitop Rubber Co., Ltd. (Lessee) lease building No. 67 and 68 (partly) Lumplatiew Sub-district, Latkrabang District, Bangkok, for a factory in manufacturing silicon rubber. This is a subsequent agreement to the lease agreement with First Silicon Electronics Co., Ltd.	0.66	Building No. 67, the leased property is not being used as the floor has collapsed. Afterwards First Silicon Electronics Co., Ltd, Lessee, requested to lease the building. The lessee offered to fix the floor by drilling, reshaping and laying 2 layers of reinforced concrete at the lessee's own cost, being approximately Baht 2.8 million, resulting in the building

Name of Related Parties	Relationship	Description	Amount of 2014 (Million Baht)	Necessity and Reason of Transaction
	(formerly First Silicon Electronics Co., Ltd.)	(present name is KTF Holding Co., Ltd.) for 3-year period, from 1 January 2012 to 31 July 2015. The Lessee will pay rental fee at Baht 55,000 per month, divided into rent for building No. 67, having an area of 900 square meters in the amount of Baht 30,000 and building No. 68 (partly), having an area of 300 square meters in the amount of Baht 22,000, total area for both buildings of 1,200 square meters. The Lessor may increase the rental fee every 3 years not less than 10% of the rental fee on the last month of the third year.		almost being brand new. When the lease agreement was renewed with Unitop Rubber Co., Ltd., the Lessee, also made additional improvements to the floor and the building. The Company had already disclosed this transaction through the SET. The Audit Committee had no different opinion from the Board of Directors.

11.2 Policy and Trend of Related-Party Transactions

The Board of Directors has set a policy for related-party transactions as a specific item in the business ethics of the Company and has procedures for monitoring the transactions that may cause conflict of interest and related-party transactions in compliance with the regulations of the SEC. All transactions requiring the approval of the Board of Directors and/or shareholders will be considered by the Audit Committee to express their opinion on those transactions. If the Audit Committee's opinion is different from that of the Board of Directors it will be disclosed. The directors who have interests will have no right to vote in that agenda item.

12. Key Financial Information

12.1 Financial statement summary table

Statements of Financial Position

Contents	Consolidated					
	31 Dec 12		31 Dec 13		31 Dec 14	
	m Bt.	%	m Bt.	%	m Bt.	%
ASSETS						
<i>Current assets</i>						
Cash and cash equivalents	54.93	8.83	60.86	9.97	32.15	5.51
Short-term investment	-	-	0.65	0.11	2.00	0.34
Trade and other receivables, net	62.66	10.07	75.25	12.32	92.51	15.85
Inventories, net	286.68	46.06	256.79	42.05	156.36	26.79
Advance payment for share subscription		0	0	0	70.00	11.99
Other current assets	0	0	0	0	0	0.00
<i>Total current assets</i>	404.28	64.95	393.55	64.45	353.01	60.49
<i>Non-current assets</i>						
Investment in associate	0	0	0	0	80.63	13.82
Restricted investment	64.84	10.42	2	0.33	2.00	0.34
Property, plant and equipment, net	144.16	23.16	137.24	22.47	146.47	25.10
Intangible assets, net	5.61	0.9	2.9	0.47	0.69	0.12
Deferred tax assets	3.33	0.53	4.7	0.77	0	0
Advance payment for share subscription	0	0	70	11.46	0	0
Other non-current assets	0.2	0.03	0.26	0.04	0.83	0.14
Total Non - Current Assets	218.13	35.05	217.09	35.55	230.61	39.51
Total Assets	622.41	100	610.64	100	583.63	100
LIABILITIES AND SHAREHOLDERS' EQUITY						
<i>Current liabilities</i>						
Trade and other payables	13.41	2.15	13.57	2.22	10.17	1.74
Loan from director	-	0	0.1	0.02	-	-
Liabilities included with asset classified as held for sale	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-

Contents	Consolidated					
	31 Dec 12		31 Dec 13		31 Dec 14	
	m Bt.	%	m Bt.	%	m Bt.	%
Total current liabilities	13.41	2.15	13.67	2.24	10.17	1.74
<i>Non-current liabilities</i>						
Deposits received from tenants	0.21	0.03	0.21	0.03	0.20	0.03
Employee benefit obligations	5.53	0.89	4.27	0.7	5.10	0.87
Deferred tax liabilities	8.96	1.44	9.61	1.57	-	-
Total non-current liabilities	14.7	2.36	14.08	2.31	5.30	0.91
Total liabilities	28.1	4.52	27.75	4.54	15.47	2.65
<i>Shareholders' equity</i>						
Share capital						
Registered share capital						
ordinary shares at Baht 1 each	400		400		600	
Authorized, issued and paid-up share capital						
ordinary shares at Baht 1 each	400	64.27	400	65.5	476.88	81.71
Premium on share capital	93	14.94	93	15.23	167.75	28.74
Retained earnings (Deficit)						
Appropriated for legal reserve	13.73	2.21	13.73	2.25	13.73	2.35
Unappropriated	63.18	10.15	51.77	8.48	-120.70	-20.68
Other components of equity	24.4	3.92	24.4	4	30.50	5.23
Non-controlling interests of subsidiary company	-	-	-	-	-	-
Total Shareholders' Equity	594.3	95.48	582.89	95.46	568.15	97.35
Total Liabilities and Shareholders' Equity	622.41	100	610.64	100	583.63	100

Statements of Comprehensive Income

Contents	Consolidated					
	2012		2013		2014	
	M Bt.	%	M Bt.	%	M Bt.	%
Sales	140.96	100	187.04	100	180.91	100
Cost of goods sold	- 122.77	-87.10	-179.01	-95.71	-232.91	- 128.74
Gross profit (loss)	18.19	12.90	8.02	4.29	-52.00	-28.74
Other income						
Share profit of other investment	-	-	-	-	-	1.06
Other income	6.45	4.58	5.24	2.80	2.06	1.14
Gain on exchange rates	-	-	7.58	4.05	1.16	0.64
Total other income	6.45	4.58	12.82	6.85	5.14	2.84
Profit (loss) before expenses	24.64	17.48	20.84	11.14	-46.87	-25.91
Expenses						
Selling expenses	-4.00	-2.84	-5.97	-3.19	-5.64	-3.12
Administrative expenses	-15.65	-11.10	-19.83	-10.60	-32.93	-18.20
Remunerations for directors and management	-10.40	-7.38	-9.05	-4.84	-14.17	-7.83
Share loss from investment in associate	-	-	-	-	-6.99	-3.86
Loss on impairment of investment in associate	-	-	-	-	-64.69	-35.76
Loss on exchange rates	-1.37	-0.97	-	-	-	-
Total Expenses	-31.43	-22.30	-34.85	-18.63	-124.41	-68.77
Profit (loss) before income tax	-6.79	-4.82	-14.01	-7.49	-171.28	-94.68
Tax income (tax expense)	0.14	0.10	0.72	0.38	-1.19	-0.66
Profit (loss) for the year from continuing operations	-6.65	-4.72	-13.29	-7.11	-172.47	-95.33
Other comprehensive income (expense)						
Actuarial gain on defined employee benefit plan ประกันภัย	-	-	1.88	1.00	-	-
Reversal on tax income (tax expense) related to revaluation surplus of land	3.53	2.50	-	-	6.10	3.37
Other comprehensive income (expense) for the year, net of tax	3.53	2.50	1.88	1.01	6.10	3.37
Total comprehensive income (expense) for the year	-3.12	-2.21	-11.41	-6.10	-166.37	-91.96

Statements of Cash Flows

Contents	Consolidated		
	2012	2013	2014
Cash flows from operating activities			
Profit (loss) before income tax for the year from continuing operations	-6.79	-14.01	-171.28
Adjustments to reconcile net profit to net cash provided by (used in) operating activities:			
Depreciation	13.18	12.21	9.84
Allowance for doubtful debt	0.4	1.2	-
Reversal of allowance for doubtful debt	-2.87	-2.53	-
Amortized program development	0.05	0.05	-
Expenditure for project of program development	2.99	2.66	-
Share of loss on investment in associate			6.99
Loss on impairment in associate			64.69
Amortization expense			2.65
Loss on allowance for devaluation of inventories	7.29	3.53	71.74
Other income from fire damage compensation	-	-	
Loss on provision for impairment of withholding income tax	0.17	-	-
Loss on written - off assets	-0.94	0.16	0.47
Loss on damaged assets	0.71	0	0
Interest income	-	-	-0.30
Employee benefit liabilities	0.85	0.61	0.83
Unrealized gain on exchange rates	0.84	-3.52	-1.16
Profit (loss) from operations before changes in operating assets and liabilities	15.03	0.36	-15.54
Trade and other receivables	8.63	-7.84	-15.53
Inventories	12.63	26.37	28.68
Compensation from fire damage	-	-	0
Other current assets	-	-	-0.54
Other non-current assets	-	-	0
Trade and other payables	3.63	0.03	-3.43
Other current liabilities	-0.07	-0.05	
Other non-current liabilities	-	-	-
employee benefit liabilities	0.85	-	-
Cash received (paid in) operating activities	40.7	18.87	-6.35

Contents	Consolidated		
	2012	2013	2014
Interest income	-	-	0.31
Cash paid for corporate income tax	-0.07	-0.05	-0.63
Net cash provided (used) by operating activities	40.62	18.82	-6.68
Cash flows from investing activities			
Short-term investment	-	-0.65	-1.35
Investment in subsidiary	-	-	-
Investment in associate and transaction cost	-	-	-152.30
Restricted investments	-64.84	62.84	-
Purchases of shares deposit	0	-70	0
Purchases of fixed assets and intangible assets	-2.02	-5.45	-19.98
Proceeds from Sales of Fixed Assets	0.99	0	0
Net cash provided in investing activities	-65.87	-13.26	-173.62
Cash flows from financing activities			
Cash received from convertible debentures	-	-	170.00
Paid of direct cost for convertible debentures	-	-	-18.37
Short-term loan to related party	0	0.10	0
Repayment of short-term loan to related party	-	-	-0.10
Cash received from Non-controlling interests	-	-	-
Dividend Paid	-6.00	-	-
Net cash used in financing activities	-6.00	0.10	151.53
Effect from changes in exchange rate of cash and cash equivalents	-0.26	0.22	0.06
Net decrease in cash and cash equivalents	-31.43	5.92	-28.71
Cash and cash equivalents as at beginning of the year	86.36	54.93	60.86
Cash and cash equivalents as at the end of the year	54.93	60.86	32.15

12.2 Key Financial Ratio

Financial Ratio

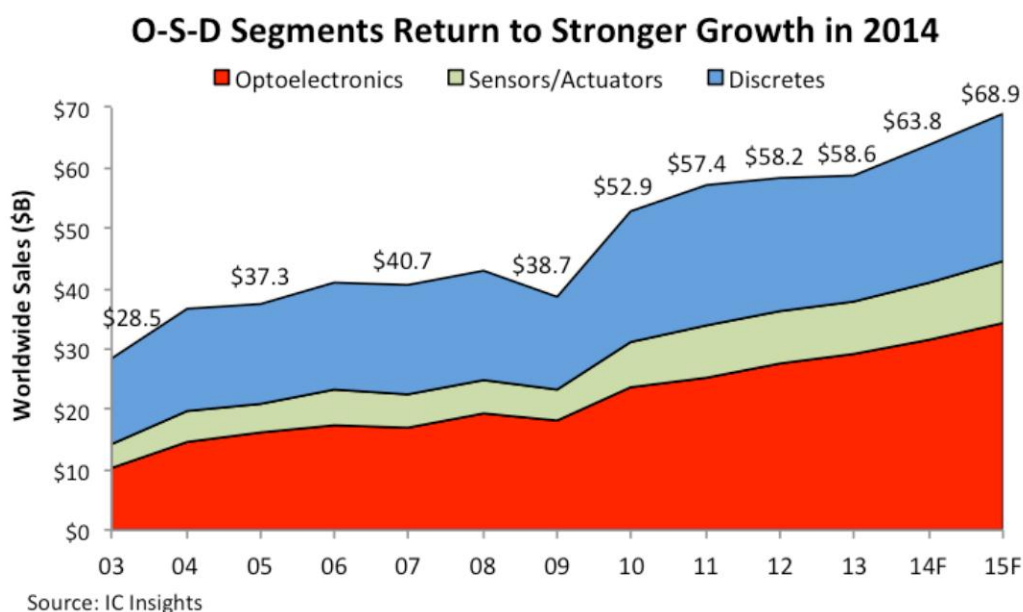
Financial Ratio	Consolidated		
	2012	2013	2014
LIQUIDITY RATIO			
Current Ratio (Times)	30.15	28.79	34.72
Quick Ratio (Times)	8.60	9.89	11.04
Cash Ratio (Times)	3.50	1.39	-0.56
Accounts Receivable Turnover (Times)	1.98	2.62	2.28
Receivables Conversion Period (Days)	182.27	137.14	157.70
Inventory Turnover (Times)	1.64	2.77	4.81
Inventory Conversion Period (Days)	220.02	129.84	74.82
Payables Turnover (Times)	24.92	34.25	35.14
Payables Conversion Period (Days)	14.44	10.51	10.25
Cash Cycle (Days)	387.85	256.47	222.28
PROFITABILITY RATIO			
Gross Profit Margin	12.90	4.29	-28.74
Operating Profit Margin	-4.81	-7.49	-94.68
Other Profit Margin	4.38	6.41	2.76
Cash to Profitability Ratio	-599.83	-134.70	N/A
Net Profit Margin	-4.51	-6.65	-92.70
Return On Equity	-1.10	-2.26	-29.97
EFFICIENCY RATIO (%)			
Return on Assets	-1.06	-2.16	-28.88
Return on Fixed Assets	4.27	-0.77	-114.65
Total Assets Turnover (Times)	0.23	0.32	0.31
FINANCIAL POLICY RATIO			
Return on Assets (times)	0.05	0.05	0.03
Times Interest Earned (Times)	N/A	N/A	N/A
Leverage Ratio (Cash basis)	0.56	0.25	-0.17
Dividend Payout Ratio	0.00	0.00	0.00

The auditor gives a qualified Opinion on the financial statements of the Company as at 31 December 2014 from the scope limitation on audit of those accounts was caused by circumstance in respect of necessary adjustments against investment in associated company and related goodwill, share of loss from associated company and loss on impairment of investment in associated company.

13. Management Discussion and Analysis

13.1 An overview of the business and a significant change of the company in the past.

The worldwide market for optoelectronics, sensors and actuators, and discrete semiconductors (O-S-D) appears to be returning to a new state of “normal” after struggling to maintain momentum over the past few years, following the strong 2010 recovery from the 2009 downturn. O-S-D sales increased just 1% in both 2012 and 2013, but overall market growth has strengthened and is on track to rise 9% in 2014 to reach a new record-high \$63.8 billion from the previous annual peak of \$58.6 billion set in 2013. Combined revenues in the O-S-D segments, which now account for about 18% of total semiconductor sales, are forecast to grow another 8% in 2015 to reach a sixth consecutive record-high level of \$68.9 billion. Moreover, the Discrete Semiconductor is the device required for production in all industries, including the automotive industry, cellular handsets, infrastructure, other communications, consumer, computer & office equipment, industrial, renewable energy medical, lighting and transportation and the demand of products is depended on the abovementioned industries. Especially, in the automobile industry, Server Power Supply, Data Centers and industry related to energy, such as wind turbines and solar energy systems.



Diodes products of the basic equipment for electrical appliances which used to convert alternating current to direct current, especially in the power supply. It also serves as a protection from damage that may occur to IC design electronics for control mechanisms which are very complicated.

The competitiveness of EIC's products lies in the development of Glass Passivized Processed Dice (GPP Dice) for the assembly of diodes, as using Glass Passivized Processed Dice (GPP Dice) will benefit the quality of the product. This results in the Company's diodes having the special properties requested by customers, namely, there will be very little change in the electrical properties, less electric current leakage, increasing the effectiveness of the diode in converting alternating current into direct current and protecting damage to circuits. Additionally this also allows the diodes to have a longer life span, reducing electronic waste and helps consumers who use the technological products mentioned to save energy.

Although the global market OSD in 2014 is recover again in the growth rate of 9% from the year 2013. However, in Thailand, Ministry of Industry reported that the production of electrical and electronic industry in 2014, the production index is at 278, increase by 1.10% compared to last year since in the first half of the year, purchasing power has been declined and consumers are spending more cautiously. However, the market began to recover as consumer confidence increased during the quarter 3/2014.

The Company operating result as consolidated financial statements as of 31 December 2014, the Company's revenues from sales is Baht 180.91 million and has a net loss of Baht 172.47 million, net loss has been increased compared with the same period in last year 2013, which recorded a net loss of Baht 13.29 million. As a result, the operating results change over 20% from the significant increase of cost of goods sold which due to the sale of scrap and allowance for diminution in inventory. Moreover, the Company also face the impairment of investment in Smart Traffic from the adversely impacts from political crisis in 2014 causes the projects delayed.

Significant change of the Company for the previous year

On 1 April 2014, the Company underwent a reorganization to improve efficiency and business expansion which saw the transfer of assets and liabilities associated with the manufacture of diodes to a newly formed subsidiary, EIC Semi, held 99.99% by the Company. The main contribution to the Company's operating results as shown in the consolidated financial statements as of 31 December 2014 still came from the electronics business of EIC Semi.

During 2014, the Company invested in Smart Traffic by purchasing 302,000 ordinary shares equivalent to 30.20% of total shares, at a price of Baht 500 per share, equivalent to Baht 152 million. The Company recognizes investment in associate since 1 November 2014 onwards.

Moreover, the Company also issued and sold Convertible Debenture to Advance Opportunities Fund (funds) in the amount of 6.8 million Singapore Dollars or an equivalent amount of Baht 170 million. The Fund exercised the Convertible Debentures and convert into ordinary shares of 76,881,145 shares from 80,000,000 shares reserved for the Convertible Debenture.

Change in accounting estimates

As at 1 April 2014, the Company transferred net assets of Baht 135.86 million to settle against share subscription payable to the subsidiary. In compliance with Thai Accounting Standard No. 16 (Revised 2009), Property, Plant and Equipment, the subsidiary performed a review of the expected useful economic lives of its building and plant, building improvement, machinery and equipment, office equipment and furniture and vehicle. The subsidiary has taken into account key factor that may have an impact to the extension of the asset useful life including technology obsolescence, well-maintained standard and appropriate controlled environment. The subsidiary revised the expected useful economic lives by using prospective adjustments by changing of the useful life as follows:

	Old useful lives	New useful lives
Building and plant	2 – 24 years	20 years
Building improvement	1 – 14 years	5 years
Machinery and equipment	1 – 18 years	5 – 20 years
Office equipment and furniture	1 – 18 years	5 – 10 years
Vehicle	4 years	5 years

The effects from the aforementioned revisions were fully reflected in the consolidated financial statement, which has resulted in a decrease in depreciation expenses for the year ended 31 December 2014 of approximately Baht 3.10 million.

13.2 Results of Operations

Revenue

The Company has total revenue, as of 31 December 2014, of Baht 186.04 million decreased from Baht 199.85 million in 2013 and increased from Baht 147.41 million in 2012. In 2014, total revenue of the Company consists of revenue from sales of Baht 180.91 million baht and other revenues of Baht 5.14 million or equivalent to 97% and 3% of total revenue respectively.

In 2014, revenue from sales in the amount of Baht 114.89 million or 63.56% of the total sales was a result of the sales to general customers, both foreign and domestic, in particular important customers in Europe who continuously ordered products every month, especially Rectifier Diodes, used in the automobile industry. This shows that the risk of dependence on distributors has decreased and the portion of direct sales to customers has increased.

Distributor	2014		2013		2012	
	Sales	% of total	Sales	% of total	Sales	% of total
	M Bt.		M Bt.		M Bt.	
1. EIC International Co., Ltd.	53.47	29.56	58.67	31.37	49.09	34.83
2. EIC Semiconductor Inc.	12.45	6.88	11.41	6.10	13.38	9.49
3. EIC Semi Ltd.	-	0.00	-	0.00	-	0.00
4. General Customers (direct sales)	114.98	63.56	116.96	62.53	78.49	55.68
Total	180.91	100	187.04	100.00	140.96	100.00

Profitability

Cost of Goods Sold and Selling and Administrative Expenses

In 2014, the Company obtained income from sales of Baht 180.91 million while the cost of goods sold was Baht 232.91 million or 128.74% of the revenue from sales. The cost of goods sold increased significantly compared to 2013 where the cost of goods sold was Baht 179.01 million or 95.71% of the revenue from sales of Baht 187.04 million. The increased cost was a result of the following important factors:

1. Loss on diminution in inventory value - finished goods, works in process, and raw material-. The policy of allowance for diminution in value for all types of products which held more than 4 years. The Company considered the allowance for diminution in value of inventory of 100% or Baht 69.86 million in 2014.
2. The sales of scrap material from diode manufacturing and sales of scrap material for Baht 2.8 million at the cost of Baht 38.5 million. The portion of the cost of goods sold to sales increased significantly.

Gross and Net Profit

In 2014, the Company obtained a gross loss of 28.74%, changing from gross profit 4.29% in 2013. The decrease in gross profit resulted from the significant increase of cost of goods sold as mentioned above. The cost of goods sold increased due to the finished goods, work in process, and raw material held for more than 4 years therefore it is considered as an allowance for diminution in value of inventory of Baht 69.86 million. Moreover, there was also a loss from the sale of scrap material.

In addition, the Company also has a percentage of loss from operation to sales in 2014 which increase from 7.49% to -94.86%, which is the key factor that resulting in higher loss as mentioned above. Moreover, the Company also has loss from impairment of investing in Smart Traffic and also the higher administrative expenses due to restructuring of the Company.

Due to a decrease of revenue and increase in cost of goods sold and expenses together with the loss from investing in Associated Company due to the political crisis, the Company has net loss of Baht 172.47 million in 2014. The net loss in 2014 higher than net loss in 2013 by Baht 13.29 million, which changed more than 20% compared to previous year.

Moreover, the return on equity in 2014 was negative due to the higher loss compared to previous year. Return on equity was -29.97% in 2014 from -2.26% in 2013.

13.3 Asset Management Capabilities

Assets

The Company's assets, as of 31 December 2014 totaled Baht 585.63 million, a reduction from Baht 610.64 and Baht 622.41 million in 2013 and 2012 respectively. The decrease in 2014 was a result of a reduction in inventory and cash.

Return on fixed assets as of 31 December 2014 was -114.65%, which is lower than previous year where the return on fixed assets was -0.77%, which was negative since the company had an operating loss increased significantly. Moreover, the return on total assets as of 31 December 2014, is negative at -28.88%, lower than the previous year which is approximately equal to the negative value of -2.16, indicating that the company did not receive the return from managing its assets since the Company has incurred a loss.

Table showing the Company's assets in 2012 - 2014

Items	Consolidated Financial Statement					
	31-Dec-2012		31-Dec-2013		31-Dec-2014	
	m Bt.	%	m Bt. Baht	%	m Bt. Baht	%
Assets						
Current Assets						
Cash and cash equivalents	54.93	8.83	60.86	9.97	32.15	5.51
Short-term investment			0.65	0.11	2.00	0.34
Trade and other receivables, net	62.66	10.07	75.25	12.32	92.51	15.85
Inventories, net	286.68	46.06	256.79	42.05	156.36	26.79

Items	Consolidated Financial Statement					
	31-Dec-2012		31-Dec-2013		31-Dec-2014	
	m Bt.	%	m Bt. Baht	%	m Bt. Baht	%
Advance payment for share subscription		0	0	0	70.00	11.99
Other current assets	0	0	0	0	0	0.00
Total current assets	404.28	64.95	393.55	64.45	353.01	60.49
Non-current assets						
Investment in subsidiary	0	0	0	0	0	0
Investment in associate	0	0	0	0	80.63	13.82
Restricted investment	64.84	10.42	2	0.33	2.00	0.34
Property, plant and equipment, net	144.16	23.16	137.24	22.47	146.47	25.10
Intangible assets, net	5.61	0.9	2.9	0.47	0.69	0.12
Deferred tax assets	3.33	0.53	4.7	0.77	0	0
Advance payment for share subscription	-	-	70	11.46	0	0
Other non-current assets	0.2	0.03	0.26	0.04	0.83	0.14
Total Non - Current Assets	218.13	35.05	217.09	35.55	230.61	39.51
Total Assets	622.41	100	610.64	100	583.63	100

(1) Trade Receivable

From the table showing the Company's assets, it can be identified that the Company's trade receivables increased from Baht 75.25 million as of 31 December 2013 to Baht 92.51 million as of 31 December 2014.

Trade accounts receivable analyzed by aging are as follows :

Items	Consolidated Financial Statement					
	31-Dec-2012		31-Dec-2013		31-Dec-2014	
	m Bt.	%	m Bt.	%	m Bt.	%
Trade accounts receivable						
Undue	32.23	55 %	36.78	51%	41.49	51%
Overdue 1 - 30 days	4.66	8%	8.07	11%	4.85	6 %
Overdue 31 - 60 days	6.12	10%	7.13	10%	5.90	7 %
Overdue 61 - 90 days	4.40	7.5%	7.04	10%	7.33	9 %
Overdue 91 - 180 days	0.16	0.27%	10.92	15%	17.51	22%
Overdue 181 - 365 days	0.06	0.10%	0.07	0.10%	1.48	2%
Overdue 365 days onwards	10.80	18%	2.36	3 %	1.95	2%
Total	58.43	100%	72.37	100 %	80.51	100 %
Less Allowance for doubtful accounts	-4.90		-3.57		-3.17	
Trade accounts receivable	53.53		68.80		77.34	
Notes receivable	6.82		4.89		0.73	
Trade accounts receivable, net	60.35		73.69		78.07	
Other receivables	2.31		1.56		14.44	
Total trade and other receivables, net	62.66		75.25		92.51	

As of 31 December 2014, trade accounts receivable increased from Baht 72.37 million in 2013 to Baht 80.51 million with the overdue 91-180 days increased from 15.09% of total trade accounts receivable as of 31 December 2013 to 21.75% of total trade accounts receivable. Caused by unpaid balance of the dealers. However, the company has monitored the dealership to pay it already after the end of period.

In 2014, accounts receivable turnover was 2.28 times which slightly decreased from 2.62 times from previous year. The receivables conversion period was 158 days in 2014, longer than 137 days in previous year due to the decrease in revenue and increase in account receivable.

(2) Inventory

From the table showing the Company's assets, it can be identified that the Company's inventory decreased significantly from a proportion of over 40 percent of the total assets. As of 31 December 2014, the Company had inventory constituting 26.79% of its total assets, a reduction from 42.05% in 2013 and 46.06% in 2012. The company has policy to control the amount of product to reduce the burden of inventory management. The Company has set high allowance for diminution in value of inventories in 2014. As a result, there was a significant decrease of net of inventory from the previous year or decrease by 39.11%.

In 2014, the inventory turnover of the Company is approximately 4.81 times; an increase from 2.77 times in the previous year and sales period was 75 days earlier than 130 days in the previous year. Because of the Company's decrease in inventories from Baht 56.11 million at the end of 2013 to Baht 40.70 million at the end of 2014, a decrease of 27.46% because of the company's attempt to control the level of inventory at a minimum and the higher cost of goods sold as described above.

The Company maintains an allowance for obsolete and defective inventories to reflect impairment of inventories. The allowance is based on consideration of inventory turnover and deterioration of each category. In addition, the Group also maintains an allowance for net realizable value to reflect the estimated losses resulting from the selling prices of inventories, which are less than their costs. The allowance is based on consideration of committed selling prices and the trend of selling prices in the market. In 2014, the Company has the allowance for diminution in value of inventories of finished goods, work in process, and raw materials aged over than 4 years at the rate of 100%.

Table showing details on inventory, net

(Unit : Million Baht)	Consolidated Financial Statements					
	Cost		Allowance of diminution in inventory value		Inventories, net	
	2014	2013	2014	2013	2014	2013
Finished goods	40.70	56.11	-25.45	-15.29	15.25	40.52
Works in process	158.23	175.59	-80.32	-38.58	77.90	137.00
Raw materials	78.96	80.78	-27.33	-9.38	51.63	71.41
Supplies	10.81	7.55	-	-	10.81	7.55
	288.70	320.03	-133.11	-63.25	155.59	256.79
Add Goods in transit	0.76	-	-	-	0.76	-
Total	289.46	320.03	-133.11	-63.25	156.36	256.79

(3) Investment

Investment in Subsidiary

As of 31 December 2014, the Company's investment in its subsidiary company, EIC Semi, represents 99.99% of the subsidiary's issued and paid-up capital which was shown in separated financial statement in the value of Baht 396.14 million. In 2014, the Company restructured its business by transferring assets and liabilities in respect of the diode production to this subsidiary for settlement of share subscription payable to the subsidiary.

Investment in Associate

As of 31 December 2014, the Company invested in Smart Traffic, a company that designs, develops, installs and maintains Electronics Tollway Collection Systems for use in the automated payment and collection of expressway tolls and other forms of electronic payments, for a 30.20% stake which is reflected in separate financial statements as having a net value of Baht 80.63 million at year end.

The Company's long-term investment in Smart Traffic (30.2% ownership) was made at a total cost of Baht 152.30 million with funds generated by the issuance of convertible debentures as approved at the Extraordinary General Meeting of Shareholders No. 1/2014 held on 13 February 2014, which approved investing in Smart Traffic Co Ltd up to 49% of the company's total share capital for a total consideration of Baht 245 million. However, the Company had to recognize a loss on impairment of this investment at year end. The main factors that caused this decline were lower than expected revenues as a result of external factors which caused the Company to incur an operating loss in 2014. As EIC's share price did not support the full drawdown of the Convertible Debenture it was not possible to fully draw down the Convertible Debenture and not only complete the acquisition of the remaining balance of 188,000 shares of Smart Traffic but also to provide working capital. It was therefore agreed to cancel the Convertible Debenture as well as the purchase of the remaining 188,000 shares of Smart Traffic for the time being.

(4) Other Assets

Property, Plant and Equipment

(unit: Million Baht)	2013	2014
Land	41.95	43.40
Building	10.55	10.01
Land and building improvement	3.64	4.13
Machineries and factory equipment	77.32	72.80
Office equipment and furniture	1.05	1.40
Vehicle	0.63	11.37
Assets in progress	2.09	3.35
Total	137.24	146.47

The Company's Property, Plant and Equipment increased from Baht 137.23 million as of 31 December 2013 to Baht 146.46 million as of 31 December 2014. Property, Plant and Equipment as of 31 December 2014 accounted for 25.10% of total assets which slightly increased from 22.47% in previous year.

Delay share subscription

As of 31 December 2014, the company placed a deposit of Baht 70 million for the share subscription of Smart Traffic. According to the Board of Directors' meeting No. 8/2013 held on 4 December 2013 and the shareholders' extraordinary meeting No. 1/2014 held on 13 February 2014, it was unanimously resolved to invest in Smart Traffic Co., Ltd. The Company entered into the Memorandum of Understanding dated 4 December 2013 for investment in Smart Traffic Co., Ltd. for a 49% stake of total share capital at a price of Baht 500 per share or equivalent to Baht 245 million and the Company placed a deposit for the share subscription of Baht 70 million and the Company entered into the Sell and Purchase Agreement On 14 May 2014. The Company purchased 302,000 shares of Smart Traffic for a total investment of Baht 152 million

According to the Board of Director's meeting No. 1/2015 held on 27 February 2015, it was unanimously resolved to cancel the Sale & Purchase Agreement for the remaining balance of 188,000 ordinary shares of Smart Traffic and request reimbursement of the Baht 70 million deposit for share subscription from the seller. Currently, the Company is in the process of request in writing the cancellation of the Sale & Purchase Agreement.

13.4 Sufficiency of Working Capital**(1) Source of Capital**Liabilities

The Company's total liabilities as of 31 December 2014 was in the amount of Baht 15.47 million, a decrease from Baht 27.75 million in 2013. The liabilities come from current liabilities in the amount of Baht 10.17 million, decreased from Baht 13.41 million in 2013, and long-term liabilities of Baht 5.30 million, a decrease from Baht 14.08 million in 2013.

In terms of current assets, trade payables and other creditors valued at Baht 10.17 million, which decreased from Baht 13.57 million in the previous year due to a decrease in trade payables of Baht 1.21 million and a decrease in other creditors of Baht 2.19 million, a decrease in other creditors resulted mainly from accrued expenses.

In terms of non-current assets in the amount of Baht 5.30 million consists of lease and employee benefit obligation of Baht 5.10 million or 96% of non-current assets. However, non-current assets significantly decreased from the previous year by Baht 8.78 million or decrease by 62% since there were no deferred tax liabilities in 2014.

Shareholders' Equity

From the past performance, the Company does not have a policy of procuring capital by incurring debt, but will primarily use shareholders' equity, resulting in a very low debt to shareholders' equity ratio. In 2014, the Company has a ratio of debt to shareholders' equity of 0.03 which decreased from 0.05 in previous year.

Shareholders' Equity as of 31 December 2014 is valued at Baht 568.15 million decreased from Baht 610.64 million in 2013 and Baht 622.41 million in 2012. The main factors for the decrease in shareholders' equity are net operating losses, which were also caused by a decrease in value of inventory, and loss of investment in associated company from the adverse impacts of Thailand's political crisis in 2014, which caused substantial delays in government projects.

The Company's paid-up capital increased by 76.88 million shares in 2014 equivalent to Baht 76.88 million and Premium on share capital also increased by Baht 74.75 million resulting from the exercise of convertible debentures, the Company received funds from convertible debentures of Baht 170 million. As of 31 December 2014, there was no outstanding convertible debenture.

(2) Cash flow used in investment activities

For the Cash flow used in investing activities in 2014, during the year of 2014, the Company purchased fixed assets, land, equipment and vehicle in the amount of Baht 19.98 million and has short-term investments of Baht 1.35 million, which mainly is fixed deposit with a commercial bank.

Moreover, the Company also has long-term investment in associated company, Smart Traffic, in proportion of 30.20% of total sales value of Baht 152.30 million as mentioned above.

(3) Sufficient of liquidity

The Company has net cash from operating activities in 2014 in amount of Baht 6.68 million, decreased from previous year of Baht 18.87 million. In 2014, the Company has high net loss and increase of trade receivable and other receivable of Baht 15.53 million which is higher than previous year, where the Company has trade receivable increased by Baht 7.84 million.

The current ratio of the Company as of 2012, 2013, and 2014 are 30.15 times, 28.79 times, and 34.72 times respectively. The higher current ratio and quick ratio indicated that the Company has sufficient liquidity.

13.5 Factors which may affect performance in the future

In 2014, the Company has restructured the Company's business and has a policy to invest in the subsidiary company which operates electronic business and related to electronic business which has strong growth potential and higher returns on investment. The company mainly invests in its subsidiary company which operates business relating to the manufacture and sale of Discrete Semiconductors, namely EIC Semi. The Company also invested in Smart Traffic, a company which designs, develops, installs and maintains Electronic Tollway Collection Systems for use in the automated payment and collection of expressway tolls and other electronic transactions.

The restructure of the Company business makes the recognition of gains/losses from investments in proportion to their shareholding and dividends on investments which is based on the operating results of the businesses in which the Company decides to invest in the future.